FINANCIAL TIMES

No. 25,584 Tuesday November 2 1971 ** 6p

News Summary

GENERAL

2 more police killed in Belfast

Two more policemen were shot dead in Belfast yesterday—machine-gunned as they were investigating a shop break-in.

The RUC men were in plain clothes when they called at a ...wn. Det. Con. Corry, 28, was married with two young children and Det. Con. Russell, 31, also married, had a 20-month-old daughter.

The Ulster death toll since disturbances began in 1969 is now ...1. This year's total is 114. At least 31 people met violent deaths last month—in the last 10 days at the rate of about two a day. These figures do not include IRA dead and the Army thinks it killed about 80 last month.

Four bombs, says Angry Brigade

Up to late last night investigations by scientists and explosives experts have failed to yield any important clues to link the explosions at the Post Office Tower and Tank Regt. h.q. in Westminster.

Nor was there any clue definitely pointing to IRA responsibility. Indeed, the "Angry Brigade" yesterday claimed that both explosions were its work. A well-spoken man made the claim in a phone call to the Press Association in Fleet Street.

Seventy per cent. of Ulster's ... clergy—387 priests—have signed a petition demanding a judicial inquiry into "torture" of prisoners by the RUC Special Branch. The petition has been sent to the UN, the International Red Cross and Westminster MPs.

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Raid charges

Three more men are to appear in court at Marylebone, London, to-day in connection with the £250,000 "walkie-talkie" raid on Lloyds Bank, Baker Street branch, in September. Earlier, two Pakistanis who live in Hampstead were remanded in custody accused of dishonestly handling £2,000 in cash from the raid.

Boy, 12, cleared of murder

Maurice Carroll, aged 12, was found not guilty at the Old Bailey yesterday of charges of the murder and manslaughter of an 82-year-old cripple. His co-defendant, a youth of 13, was found guilty of murder and sentenced to life imprisonment.

Wave kills 5,000

At least 5,000 people died when a cyclone and tidal wave struck the Indian coastal state of Orissa, about 220 miles south of Calcutta on the eastern coast. ... "counter action." ... the brink of war, Page 18

5 years for Dean

The Very Rev. Gonville ffrench-Beytagh, 59-year-old Anglican Dean of Johannesburg and a British subject, has been sentenced to five years' jail for breaches of the Terrorism Act in a Pretoria judge. He ... was granted leave to appeal and let out on continuing bail. Page 9

£12,500 pension

Britain is backing a UN proposal to give U Thant, Secretary-General, a pension of £12,500 when he retires at the end of the year. ... his ... pension rate.

Thanke

Mr. Heath has sent a telegram of thanks to West German Chancellor, Willy Brandt, for his support of Britain's efforts to join the Common Market.

Briefly

... November is expected to be mild and rather warm ... Page 32

Britain has eliminated France ... holders from the King's Cup in Paris.

Maximum reward payable by ... for help over ... raids has been raised from £1,000 to £2,000.

BUSINESS

Wall St. sinks to 1971 low

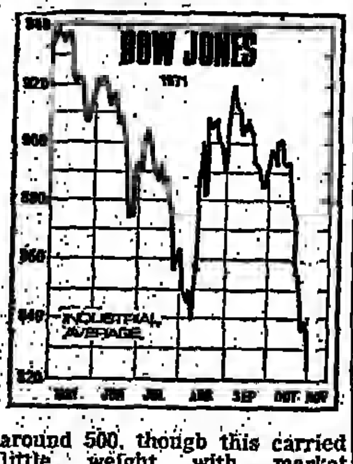
● WALL STREET'S index touched a new 1971 low yesterday.

● LONDON EQUITIES weakened, damped by Wall Street's fall. The index ended 6.0 down at 403.8 though "bid interest" stocks were active.

● GILTS had losses ranging to ¼.

● THE £ improved 18½ points to \$2.4931. Gold lost 20c at \$42.20.

● WALL STREET'S Dow Jones Average fell 13.14 yesterday to 825.86, a new 1971 low. Trading was thin at a volume of around 10m. shares. Deep-set pessimism has brought the Dow Average down some 70 points in past weeks. Yesterday the gloom was enhanced when economist Mr. Eliot Janeway forecast a fall to



around 500, though this carried little weight with market analysts. Airline and steel stocks suffered, the latter on their poor order position for the rest of 1971. News that companies will be expected to curb dividend rises in line with permitted wage increases seemed to have little impact.

● WEST GERMANY may propose at the Paris Ministers' meeting on Thursday that while the D-Mark, Dutch guilder and other Common Market currencies should be upvalued, it would agree to the French franc being pegged at the current commercial rate in return for French agreement to wider fluctuation margins for Market currencies in terms of outside currencies.

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Rolls-Royce lays off 1,100

● ROLLS-ROYCE HAS TOLD 1,100 toolroom and related workers they will not be needed until further notice. This move may be followed by other Coventry employers next week if the five-month toolroom dispute is not settled. Rolls-Royce had given the 1,100 until last Thursday to accept the national agreement adding £4 to their £42, in place of the toolroom rate. The men, having taken the bigger pay last week, went on strike yesterday in the eighth Monday strike.

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● CAR OUTPUT rose to 159,620 in five weeks to October 2, nearly 60 per cent. above that of September, 1970, which was reduced by disputes. August, 1971, output was some 118,700. October sales of new cars on credit and HP—apart from banks' personal loans and other credit forms—totalled 27,231, says Hire Purchase Information: 3,000 below September's but 6,000 above October, 1970.

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● BSA SHAREHOLDERS yesterday agreed to the rescue operation in which 3,000 of the 4,500 employees at the Small Heath plant lose their jobs and Barclays Bank has a charge on the assets in return for a £10m. loan.

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● FULLER DISCLOSURE by companies of their accounting policies will follow a Standard Accounting Practice statement by the three Institutes of Chartered Accountants. This says accounts should include a clear explanation of treatment of key items like depreciation, stocks and work in progress.

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Ground handling row

Arrests at Heathrow as dispute halts many flights

BY MICHAEL HAND, LABOUR CORRESPONDENT

All BEA flights in and out of London's Heathrow airport were cancelled yesterday as the long simmering row over the operations of an American-based ground handling company came to a head with 40 arrests being made when fighting broke out during demonstrations at the airport.

The airport was disrupted for most of the day as workers first attended a mass meeting and then took part in picketing and demonstrations against the company involved, General Aviation Services.

Iberia blacked

The meeting was called to coincide with GAS starting to operate a ground handling contract for Iberia Airlines, which was previously handled by KLM. The 5,000 workers who attended decided that Iberia's operations should be "blacked" until it ended the contract.

Many airlines reported heavy delays, some because of fog and some because of the industrial troubles. BEA was the main casualty and up to 8 p.m. last night 145 of its flights had been cancelled. Pan Am at one time had nine aircraft awaiting take-off—four of them Jumbo jets. BOAC reported delays and there were some cancellations among other transatlantic airlines. Iberia Airlines was hit by fog and the demonstrations and last night cancelled two of the five aircraft scheduled to arrive to-day.

Many passengers had to spend the night either at the airport or in nearby hotels. Some decided to travel by rail or sea, others rebooked for flights to-day.

The British Airports Authority advised passengers to telephone the airline they were planning to travel with to check whether their flights would be leaving.

Workers' opposition to GAS has caused sporadic trouble at Heathrow ever since the BAA appointed the company as a handling agency at the airport more than two years ago. Yesterday, after it took over the Iberia contract, 5,000 workers and more than 200 police waited on the tarmac for the first Iberia service to arrive.

When the DC-9 landed fighting broke out and several arrests were made as sections of the crowd tried to force their way past the police barrier which had been thrown round the aircraft. At one stage 20 men broke through and fighting broke out. Police dogs were brought in and later one man complained to the police that he had been badly bitten. Airport police said they would investigate allegations of "brutality" but believed no unnecessary force was used.

'Mob rule'

All the time the demonstrators were chanting "Out GAS, out GAS." By the time order was restored a number of people had been arrested and charged with a variety of offences including assault on policemen, obscene language and infringements of airport bylaws.

Many of the demonstrators refused to return to work and claimed that the arrests were unfair. After the Iberia passengers had disembarked, demonstrators stormed the GAS offices and tried to stop the company's loaders removing baggage from the aircraft.

Fighting broke out again and suitcases were pulled from a lorry and tossed into the air. Yesterday's demonstration meant that many passengers had to carry their own baggage to and from their aircraft.

Later Mr. Peter Masefield, BAA chairman, gave a stern warning that men were liable to lose their jobs if they continued to disrupt work. "We cannot tolerate this sort of unofficial mob rule," he said. "We are not prepared to yield to intimidation."

Much of the opposition to GAS stems from redundancy fears but Mr. Masefield said he had assured shop stewards on Friday that there was no prospect of men losing their jobs because of the decision to appoint an independent ground handling company. But the stewards "didn't want to know" and he had reluctantly concluded that they were "politically motivated." He accused militant stewards of being determined to "impose their will on the airport."

Stewards have also complained about "infiltration of private capital into the public section of the economy."

By appointing one agency as an alternative to airlines carrying out their own ground handling, or using the services of other airlines, BAA hopes to avoid adding to the congestion on the airport apron. It would avoid the possibility of airlines using a variety of agencies, all having to provide their own vehicles and equipment.

Last year a Government-appointed committee of inquiry supported the move which, it agreed, would not cause redundancies. BA points out that employment at Heathrow is increasing, with the present work force of 50,000 expected to rise to 60,000 by the end of the 1970s.

U.S. dividend and pay rises must keep in line

BY PAUL LEWIS, U.S. EDITOR WASHINGTON, Nov. 1.

AMERICAN companies will be expected to keep dividend increases in line with the permitted rise in wages when President Nixon's new incomes policy comes into effect on November 13.

The news was broken to the House Committee on Banking and Currency this morning by Dr. Arthur Burns, chairman of the Federal Reserve, who is also head of the new committee overseeing interest and dividend payments under the next phase of the economic stabilisation programme.

In his testimony to the House committee, Dr. Burns said: "In general, the committee believes increases in dividends during the Phase Two period should be limited in such a fashion that expansion of dividend incomes will be equitably related to increases in the incomes of wage earners." However, he allowed that some exceptions might be permitted, especially in the case of smaller companies seeking fresh capital for expansion.

Full details of this new voluntary restraint programme had not been worked out. In the meantime, the committee was asking companies to maintain their dividends at levels that accorded with the guidelines laid down by the Cost-of-Living Council.

So far, the council has been remarkably successful in persuading companies to postpone increases while the full wage and price freeze is in force.

Although Dr. Burns emphasised that the Administration wanted a voluntary programme covering dividends and interest levels, he reminded the committee that the new legislation before the House would give the President standby authority to impose direct controls if necessary.

Interest rates

But he made clear that he himself was opposed to any direct interference with the level of interest rates in the country as likely to be "inefficient, inequitable and unworkable."

Dr. Burns pointed out that although the President or the legislature could impose interest rate ceilings, they could not oblige owners of capital to lend. There was thus a danger that any control of this type would restrict the flow of funds to the economy, encouraging money to leave the country or seek other investment outlets of little use to the nation as a whole.

The main task of the new committee in the interest rate field, Dr. Burns went on, would be to speed up the adjustment of traditionally sluggish rates to the overall movement of the market. This could be particularly important in the year ahead if a reduction in inflationary expectations encouraged the downward trend in rates. He said the committee would pay particular attention to rates of direct interest to the average family, including mortgages and consumer credit.

On the overall outlook for interest rates, however, Dr. Burns was noticeably cautious. He argued that the President's new economic policy had got off to a good start with a marked slowdown in the wage-price spiral during September and some signs of an improvement in output. But while progress of this kind should remove the inflationary premium from the credit market, he warned that the expected upturn in the economy as a whole would tend to push up the cost of borrowed money.

Armour in agreed bid for Tizer

BY NICHOLAS LESLIE

TIZER, the Manchester-based soft drinks group currently being turned round from a loss-making situation, has agreed to terms of an offer to be made by Armour Trust which values Tizer at around £2.5m. Both companies are Slater Walker satellites and SW will accept the Armour terms in respect of its 16.5 per cent. holding in Tizer, realising a profit of around £130,000.

SW also has an 11 per cent. stake in Armour. This was built up (after a majority stake in Armour was sold in 1970 to Mr. A. D. Balcombe and Mr. C. R. Lambourne, both formerly with merchant bankers, S. G. Warburg), when Armour took over Carter Penguin Group, in which SW held 45 per cent. of the equity.

Terms of the bid for Tizer are six Ordinary shares plus 364p nominal of 10½ per cent. Partly Convertible Unsecured Loan Stock 1991-96 for every 13 Tizer Ordinary shares. This values Tizer at around 61p a share compared with yesterday's closing price on the news unchanged at 58p. Armour closed 5p down at 58p while the loan stock stood at 125p. There will be a cash alternative of 57.4p a share.

The deal brings together soft drinks with the confectionery manufacturing operations of Carter. According to Mr. Lambourne, managing director of Armour, there should be benefits in the purchasing of commodities such as sugar and of glass containers.

He added that the benefits of the Tizer reorganisation carried out over the past two years should show in 1972. Sales of £3.5m. for 1970 were being looked for, although there would probably be "not much profit."

Taking over Tizer also opens up the borrowing capacity of Armour from £2.3m. to around £8m., and Armour intends to make the most of this opportunity to expand the television operations of the Dobson Rhodes subsidiary.

Putting the case for its offer, Armour says that accepting Tizer shareholders would get a 429 per cent. increase in income. Tizer directors will recommend acceptance, and will accept in respect of their own holdings. Armour already owns 9.9 per cent. of Tizer.

In the negotiations, Tizer was advised by Charterhouse Japhet. Armour was advised by Slater Walker, which will be sending out offer documents as soon as possible.

Men and Matters, Page 18

Management Game prize

A £500 PRIZE is announced to-day for the winners of the 1972 National Management Game. The champions will also receive the Financial Times Championship Bowl.

The 1972 national game—open to people from all walks of life in the U.K.—is sponsored by the Financial Times, International Computers, and the Institute of Chartered Accountants in England and Wales. Entry lists close on December 4.

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FLOATING £

	£= Nov. 1	% change since Aug. 13	% change on par value
U.S. $	2.493 1/16	+3.0	+3.8
Can. $	2.501 11/16	+2.4	−3.4
Dutch fl.	8.34⅞	−0.3	−3.9
†Belg. frs.	116.02⅞	−3.4	−3.3
D.-Mark	8.30⅞	+1.3	−5.4
It. lire	1,525⅛	+1.6	+1.7
‡French frs.	13.78	+3.3	+3.4
Jap. yen	819½	−5.2	−5.2
Swiss frs.	9.95⅞	+1.4	+1.6

Reuter revaluation index of the ten key non-dollar currencies against the U.S. $ is 7.2 per cent.

† Convertible. ‡ Commercial.

Setback for anti-Six Labour MPs

BY RICHARD EVANS, LOBBY CORRESPONDENT

LABOUR anti-Marketeer leaders, determined to press home their attack on Mr. Roy Jenkins and his colleagues who voted for entry to the EEC, received a significant setback last night.

Led by Mr. Michael Foot and Mr. Anthony Wedgwood Benn, Mr. Jenkins' rivals for the deputy leadership, they tried to persuade the "shadow" Cabinet to table an amendment to the Queen's Speech opposing entry to the EEC. But after a heated two-hour meeting at the Commons they were defeated by a narrow majority.

The intention had been to move that no Common Market legislation should be introduced in the coming Session of

Mr. Fred Peart—still considering his position.

Parliament, which would have faced the 69 pro-Market MPs with the choice of repeating their rebellion of last Thursday, abstaining against the warnings of dire consequences from Mr. Wilson, or toeing the party line.

There is certain to be uproar at the meeting to-day of the Parliamentary Labour Party when the chosen amendments are put to Labour MPs and it is discovered that no attempt is to be made to censure the Government on its EEC policy.

After the defeat the "shadow" Cabinet chose housing and unemployment as the subjects of two amendments to be debated on the Queen's Speech next Monday and Tuesday. It is understood that Northern Ireland will not form a separate subject in the six-day debate on the Queen's Speech.

Despite the victory, won by the alliance of moderate "shadow" Cabinet members with Mr. Jenkins, Harold Lever, Shirley Williams, George Thomson and Douglas Houghton, the pro-Marketeers have to face two decisive meetings of the PLP next week at which Left-wingers will continue to put pressure on them to conform to majority opinion in the party.

Confirmation that increasing attempts will be made to force the pro-Marketeers to vote with the Opposition during the consequential legislation on the Common Market next year came after a meeting between Mr. Wilson and Mr. Robert Mellish, the Labour chief whip, before the "shadow" Cabinet.

It is understood that the firm line against the pro-Marketeers adopted by Mr. Wilson in his speech on Saturday had the full support of the Chief Whip who will outline future tactics to to-morrow's meeting of the PLP.

This indicates that Mr. Mellish will continue as Chief Whip despite his threat to resign following the rejection by pro-Marketeers of his three-line whip last Thursday.

First ballot

It is still not known how many candidates will oppose Mr. Jenkins in the election for Labour's deputy leadership, but his supporters remain hopeful that he will retain the post despite the Common Market conflicts. Definite opponents are Mr. Wedgwood Benn and Mr. Michael Foot. Mr. Fred Peart, a confirmed anti-Marketeer, is still considering requests that he should stand.

The assumption by pro-Jenkins MPs is that he should come top of the first ballot, to be declared a week on Thursday, but will probably receive less than the necessary 145 votes.

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Demand for private bank loans rises

BY WILLIAM KEEGAN, ECONOMICS CORRESPONDENT

THERE has been a steady increase during the past month in the demand for bank advances by private individuals and the retail and distributive trades. But the big clearing banks report there is as yet little sign of any upturn in lending to manufacturing industry.

Figures issued by the banks this morning show that between mid-September and mid-October advances by the clearing banks rose by £329m. to £6,205.6m. There was also a sharp rise of £498.9m. in net deposits — to £11,226.9m.

The greater part of the increase in both categories reflects the inclusion in the figures for the first time of some of the banks' activities in the inter-bank or wholesale markets.

New arrangements

This is the first batch of figures since the new arrangements for credit control came into operation, and the differing treatment of the figures by the banks has made it difficult to make meaningful comparisons with the figures for previous months.

However, it is believed that perhaps £50m. to £100m. of the increase in advances represents an underlying rise in lending to the private sector, and that, after allowing for the inclusion of inter-bank or subsidiaries deposits for the first time, the underlying rise in deposits was of the order of £100m. and £150m.

Barclays was quick to point out yesterday that its statement of accounts had been compiled on an unchanged basis for last month, and that "no part of the business of our subsidiary Barclays (London and International) has been transferred to the parent bank."

The Midland's figures this month, on the other hand, include—from October 1—categories of new business which were previously reflected in the separate figures of its subsidiary the Midland Bank Finance Corporation.

Mr. W. B. Davidson, Chief Executive of the National Westminster, said last night that although the bank's statement this month did not include the figures of its subsidiaries, the parent bank had begun operating in the wholesale money market since September 16, and "The increase of £151m. in the bank's deposits largely reflects the growth of these new operations."

The banks' overall reserve ratio rose from 16.3 per cent. to 16.5 per cent. between the two months, and on the old basis of calculation the average liquidity ratio fell from 30.7 per cent. to 30.5 per cent. Twelve months ago it was 32.6 per cent.

The haphazard nature of this month's announcements appears to have disturbed the monetary authorities, and it is expected that the Bank of England will assemble comparable figures for advances and deposits in the next issue of its Quarterly Bulletin. Taken by themselves, this month's figures suggest that National Westminster has moved ahead of Barclays in the size of its deposits.

Clearing Banks Table Page 14
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CHIEF PRICE CHANGES

Prices in pence unless otherwise indicated

RISES

...hworth Steward	95	+ 15
...nemel Bros	97	+ 12
...	445	+ 18
...tish Lion	68	+ 8
... (Kensington)	120	+ 8
...ers' Gross	73	+ 10
...chcape	472	+ 10
...mer Holdings	65	+ 10
...dland Electrical	115	+ 5
Negretti Zambra	46	+ 6
G.F. Chocolate	137	+ 10
Scotia Investments	120½	+ 8½
Sharpe (Charles)	350	+ 70
Fleetwood Radio	31	+ 4
Ward & Goldstone	39	+ 7
Rio Algom	630	+ 30
Tara Exploration	515	+ 10
Zam. Anglo-Amer.	176	+ 6

FALLS

AB Electronic	110	− 11
Armour Trust	73	− 10
Barclays Bank	552	− 14
Beecham	303	− 9
Bovis	207	− 7
Brit. Cmmw. Shpg.	195	− 7
Burgess Products	85	− 10
First Natl. Finance	312	− 13
Guardian Royal Ex.	240	− 8
Hill Samuel	124xd	− 10½
I.C.I.	289	− 9
I.C. Gas	429	− 15
Kwik Save Discount	210	− 11
Philips' Lamp	453	− 21
Slater Walker	272	− 16
Thorn Elec.	399	− 12
Burmah Oil	364	− 24
Anglo-Transvaal	480	− 20
C.A.S.T.	132	− 11
Poseidon	660	− 40
West Wit.	465xr	− 20½
Whim Creek	123	− 10

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U.K. DAILY STOCK INDICES

FINANCIAL TIMES	Nov. 1	Oct. 29	Yr. ago
Govt. Secs.	78.29	78.01	69.25
Fixed interest	78.56	78.40	72.50
Industrial Ord.	403.8	409.8	332.7
Gold Mines	64.1	64.5	52.7
Ord. Div. Yield	3.39	3.33	4.82
Earnings Yield	6.08	5.99	6.88
P/E Ratio	16.85	16.69	14.53
Dealings Marked	12,749	12,545	9,956

For latest share index phone (01)-246 8026

FT ACTUARIES	Nov. 1	Oct. 29	Yr. ago
Industrial Group	166.20	168.07	—
500 Share	178.77	181.18	142.56
Div. yield pc	3.71	3.66	4.54
P/E Ratio	17.59	17.78	14.52
All Share	175.51	177.15	136.65
Consols yield pc	8.75	8.71	9.60

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Letters to the Editor

BRACKEN HOUSE, CANNON STREET, LONDON, EC4

Property bond publicity

Sir,—Property Bonds have been the subject of some comment in your correspondence column in recent days. Your paper of October 29 carrles a letter from A. J. Rother which quotes an extract from our Abbey Property Bond advertisements and goes oo to suggest that the content of the advertisement, in ao far as lt relates to the operation of the annual withdrawal plan, could he capable of misunderstanding.

The letter is of great interest as, although we are continually striving to make the wording of our advertisements clear, precise and comprehensive, it is rare for members of the public to make direct and coostructive comments on it. We are iodeed most grateful that this polnt bas been brought to our ettentioo and we aball have a careful look at the wording to see bow it can best be clarified.

Ona of tbe features whicb we have never stressed and perbaps we now should, is that the withdrawal plan of 6 per ceot. per ennum oo a £1,000 single premium policy does oot give a flat casb witbdrawal of £60 per annum, hut rather represents a varleble iocome wbich, on tbe evidence of tbe fuod's actual past performeoce, bas tended to iocrease. I ahow below the actuel income which a policyholder who came in at the launch of our Fund woold have received if he had subscrihed e premium of £1,000 at the initial offer price of 100p and asked for an annuel withdrawal plan of 6 per cent. These caab amounts are after deduction of hoth the difference between offer price and bid pri:e snd the Company retention for Capital Gains Tax et the tben rate of 20 per cent. Incidentally it is now intended that future Capitel Gains Tax retentions will he at the rate of 15 per cent.

1968	£60.21
1969	60.90
1970	60.37
1971	62.74

Our advertisements are quite open ahout the charges mede for expenses and life assurance cover. Hence policyholders ere aware that surrendering the policy in tbe early yeers is likely to result in what is in effect an eerly surrender penalty. To illustrate still further the point made by A. J. Rother, I show below the progresslon of the residual value of the policy at each year after the operation of the above 6 per cent. withdrawal plan, again after deduction of both the difference between offer price and bid price and the Company retention for Capital Gains Tax at the historical rate of 20 per cent.

Premium 1967 £1.000

Residual Value after expense and taxes

1967	£950
1968	£943
1969	£954
1970	£946
1971	£983

It would perhaps also be appropriate to stress that the paymeot of a premium to a Single Premium Bond is not lntended to be a short-term asset, but rather a means of acquiring life assurance cover (which may be substantial) together with a cash surrender value which one hopes will keep pace with inflation. If the policyholder opts for a 6 per cent. annual withdrawal plan, then one hopes that the residual value of the policy will at least be maintainad and the above information suggests that this bas been the case. The return (free of income-tax and capital gains tax) which policyholders of Abbey Property Bonds have achieved in the past—at least 6 per cent. of premium annually—suggests that this medium of savings is not without attraction.

In conclusion 1 would reiterate our concern that our sales material be thoroughly understood and our gratitude that this possible source of misconception bas been brought to our attention.

T. J. R. Gordon,
Iovestments Dlrector.
Abbey Life Assurance Co.,
1-3, St. Paul's Churchyard, EC4M SAR.

"Is my money safe?"

Sir,—I bave read with interest your recent correspondence upon the aubject of the growing concern at the growth of the property bonds field of investment.

Firstly, I must declare my interest, I am a representative for a property bond company and probebly more importaotly, a bondholder. Every day I am in contact with potential investors some with small emounts, aome with a great deal of mooey indeed, and the one question that they both demand an answer to, is, "Is my money aafe?"—and this is surely the most important question that anyone can ask.

The answer is, "Who can aay?" Money in property is certainly safer tban money in the Stock Market. Anyone who bas purcbased his own bome will hear witness to the aafety and potential margins of profitability. Most pension fnnds and most insurance companies think that their money is safer in property—and both of these august bodies seem to be getting healthy returns.

Then there is what seems to be growing into the chestnut of the property bond field, the charges. One buya a product and then one enjoys lt. A simple transaction and a simple principle provided you know wbat you are paylng and when you pay lt, there ls no problem—and this surely ls the crux. Open disclosure of management charges seems to he the policy of the property bond lnvestment organisation. How many insurance companies or building societies or other organisations declare thelr cut at the outset?

Let us inject some common sense into the arguments. A property bond is a product like any other available to anyone who wishes to buy lt. The returns? Who can say, you either believe property will appreciate or it won't. I know what I think—and let's face it—you can always say no and stuff your money in your mattress.

Roy C. Lilley.
22, Clapham Mansions, Nightingale Monsions, SW4.

Advertisers, ITV and rates

Sir,—In your paper dated October 28 there was an article, "Advertisers Angry with ITV." Although the text was brief, 4 inch hy 3 columns, it managed to refer to ITV 2, longer viewing bours, rete lncreases this eutumn, the CBI initiative, the TV companies' profits, aome mythical new rate increasea and advertisements on the BBC.

1 have no doubt that any advertiser oot familiar with the television scene might well be goaded into anger after be read this hrief catalogue on the misdeeds of the TV companies, but as usual, there is a little more to the story than might be apparent at first glance.

All I will aay about ITV 2 ia that the Incorporated Society of Britisb Advertisers is quite entitled to express its views about a second comercial channel and I am sure that it has no objection to the TV companies' interest ln a subject that is vital to their foture. It would be unfortunate if it was thought that television was invented only for TV companies and advertisers. There is a vast body of people called "viewers" who sbould he takeo into consideration.

You referred to the recently improved profit figures of the TV companies and the fact that advertising revenue is up 14.2 per cent. ln the first nine months of this year. This improvement comes after some very difficult years and it sbould he pointed out that the 12-months running net edvertisemeot revenue for the network has only increased by 4 per cent. since January 1969. I am convinced that no advertiser would be "angry" ahout a 4 per cent. industry revenue lncrease over a period of 2¾ years.

Rates for this autumn were lncreased, I believe, hy all the TV companies, bnt in referring to higher costs your article has overlooked the fact that the demand for advertisIng ln all media ls greatest in the nlne to ten week period from November to the middle of December and completely lgnores the practice of Thames and all of the other companies to offer exceedingly attractive discounts to the advantage of the advertiser during the other nine months of the year.

Unlike other media, television is selling a fixed supply commodity. The number of advertising minutes avallable has hardly changed since 1955. We do not have the benefit of most manufacturers who are able to improve their profitability or efficiency hy selling more of their products. It is therefore impossible to obtain the increased income which is vital to all businesses other than through rate adjustments.

Tbose executives in advertising agencies who are close to the detailed buying of television time will be aware that the average costs-per-thousand have changed very little during the past three to four years and I am sure that it is no surprise that it has moved up this year, even without allowing for the increasing value of colour.

As to the mythical new rate lncreases that bave been predicted, Thames is not a member of the CBI, but we have advised the ISBA that we accept the CBI lnitiative in principle and will certainly aim to support it. Furthermore, we have recently issued our end of the year and early 1972 rates and have included all of the discounts that were available to advertisers last year.

George A. Cooper.
Director, Thames TV.
306, Euston Road, NW1.

Equality in Ulster

Sir,—1 found Mr. McFarland's letter (October 28) when stripped of its verbiage and reduced to a few concise thoughts a little encouraging.

He appears to accept, at least hy default, three of my five auggestions. A good start. On the question of a capital for a United Ireland I would have thought that as a good Irishman (presumably) he himself migbt have wanted aomewhere other than Dnblin for the very point be makes, thet is it was cbosen by the British. I only suggested Belfast as a possihle concession to the minority—the capital to be in their midst not miles away in what to them migbt be regarded as alien territory.

Mr. McFarland read more lnto my third item than was there. I auggested "complete disestablishment of the Catholic Cburch as a privileged body." Now my dictionary (a neutral American one) gives "establish" as "to place ln a secure position" and "to disestablish" as meaning "to deprive of lts establisbed state." Mr. McFarland used this meaning himself in his third paragraph when referring to the Orange Ordar! Prior to that he confirms my contention that the Catholic Church is established in a privileged position in Ireland in his second paragraph!

As one who has great affection for Ireland and the Irish it is only too apparent that privilege North of the horder is one of the root causes of the present troubles. If a million non-Catholics are to be absorbed into an all-Ireland community the question of privilege be it North or South of the present border must be tackled.

Perhaps Mr. McFarland, like the Orangemen to whom be refers, wants equality only for some, thosa with similar views to his own.

W. J. Wilson.
10, Old Jewry, E.C.4.

Bank cheque cards

Sir,—1 bave been very annoyed recently on several occasions when after making a purchase at large retail stores and offering my cheque card to be asked by the assistant to put my eddress on the back of the cheque.

It is only when ona makes a stand and refuses to sign and asks for the manager or head of department is any satisfaction got. The managera and beads of all retail outlets were all advised by the Clearing Banks and Scottish Banka wben these cheque cards were introduced and any person prodncing a cheque with a cbeque card there would be no question of the cheque heing returned unpaid, and in fact guaranteea the credit of the person up to £30 et any one time.

I shonld bope that any reader with assistants or employees on his staff who bas not instructed them on this form of guaranteed payment will delay no further in instructing them now.

I. G. Templeton,
1 Castleton Drive, Newton Mearns, Renfrewshire.

No entitlement to tariffs

Sir,—Mr. C. W. Leslie in hia letter (October 28) says that Mr. C. W. Smedley (Oct. 25) and Mr. Kenneth Bradford (Oct. 26) ln their letters bave been barking back to tha days of Free Trade when our country made lts living by buying cheap food and exporting manufactures bnt that they do not mention the conditions under which this food was produced and "the low standards of llving it engendered." The lmportant words are "made its living" and it is right to polnt out that we can make a living in no other way.

The British people were in no way responsible for a low standard of living ln any other countries. On the contrary, British bnying of farm products around the world helped to raise the standard of living of peoples everywhere. We provided the market without which they could not aell.

Mr. Leslie says that it wonld appear that Free Traders would prefer that we sbould live on French wheat (£36.40 per ton in the EEC) sold here at £20 by subsidy. Free Traders helieve that our people sbould have the advantage of cheapness wherever it can be found and that if other people decide to impoverish themselves by subsidisation that is their business.

He overlooks the important fact that direct and indirect forms of aubsidisation are an important element ln aome of our exports and that in that respect we are highly vulnerable. He is probably also too young to know that the development of tractor farming ln the inter war years resulted in cbeap grains and cheap feeding stuffs for animals resulting in a vast and valuable increase in our animal population. Mr. Leslie further claima that "Farmers are just as entitled to fair prices for what they produca as are tariff protected motor, fertiliser manufecturers, etc."

Mey I suggest that no one is entitled to tariff or other protection whicb can be only provided at the expense of the rest of the community and we have yet to discover the individual who bas the rigbt to decide wbat a fair price is. Only a free market can decide. Donbtless, if Mr. Leslie is a farmer he will not disagree with the suggestion that import restrictions on fertilisers are a monstrous burden on the farming community.

S. W. Alexander.
Free Trede League.
177, Vauxhall Bridga Road, S.W.1.

Food subsidies

Subsidies on food

Sir,—It is regrettable that C. W. Leslie (October 28) bas not the true fects at his disposal. Having just confirmed with the Canadian Wheat Board that the grain producers of Canade are not subsidised ln either the domestic or international markets, I would like to refute Mr. Leslie's statement "that most food entering the world market to-day is subsidised by deficiency payments, etc."

However, I would agree that some food entering the world market is indeed subsidised, but I can not see the barm that does to the British consumer. If the French want to produce wheat at a price ahove that ruling ln the world market and then sell it, at or below the world price, why should we complain at their stupidity?

What I can not agree with is that the British taxpayer or consumer should pay for the subsidisation of non-competitive farms or, in fact, any non-competitive industry be lt manufacturing cars or chemicals.

May I also point out that I am Charles and not Oliver Smedley.

C. W. O. Smedley.
49, Lennox Gardens, S.W.1.

Incentives and taxation

Sir,—Mr. Turgoose, October 28, rightly draws attention to the existence of a moral as well as an economic aspect of taxation. Hia point is, I taka it, that beyond a certain level, taxation ceases to be a just levy by the community and becomes confiscatory, or, as he may prefer to call it, plain theft.

Of course, there are those who would take the view that so long as there are people living below the poverty level, lt would be amoral not to tax those with large lncomes at an extremely higb rate. In short, it could be a matter of deciding which was the bigher morality — confiscatory taxation or allowing a greater degree of poverty.

Unfortunately, the problem is not so simple. It is a fact of life that people do respond to incentives. A man may indeed produca more without a monetary incentive: be may do so because he is interested in what be does or because he likes power or because of the prestige whicb goes with what he does; but, in general most individuals will improve their output if they are given sufficieot incentive to do so, and that usually means more money, or paying less in tax.

If incentives are reduced, output drops, less is prodnced, and there is less for everyone — especially for those on low incomes. Thus, hy increasing taxation, we may well ensure that those most in need of help are made worse off. If wage increases are mede to compensate for the increase in taxation, the result is inflation, and the poor again suffer. If we can increase productivity, relative to wages, prices will tend to fall, and everyone, especially the poor, will benefit. Increasing taxation ln the past has not lmproved matters; perhaps a policy of reducing lt will.

High taxation bas caused high gross pay. The result is that to give a person his just reward, it is necessary to give him, in meny instances, a gross increase several times as large as the net. The money has to eome from somewbere and the result is an increase in the price of the finisbed product, which is inflationary.

Tha taxes on capital gains and on investment income are also levied without any apparent consideration for natural justice. A capital gain of £5,000 attracts the same tax whether it is made in seven days on £5,000 or in seven years on £50,000. Tha former is equivalent to an annual appreciation of over 5,000 per cent., the latter of little more than one per cent. And the unfortunate investor finds that his capital plus "gain" is worth perhaps half or threequarters of what it was seven years earlier. In real terms he is taxed on a loss.

Investment income is normally taxed at a rate some 30 per cent higher than other income. There may be some logic in taxing it at a higher rate when the recipient has made no contribution to the provision of the income, but to tax at a higher rate the income of someone who has worked all his life to provide it for his old age is a gross injustice.

W. F. Richardson.
34, Queen's Drive, Fulwood, Preston, Lancs.

Gains Tax and time

Sir,—If the Government is not prepared to accept Mr. Ian Ferguson's suggestion (October 29) to exempt securlties held continuously for seven years or more surely it would at least be fair to abolish what he calls the "ponderous Budget Day 1965 Doomsday Book"?

Investors have suffered considerably by having to measure selling losses against the latter, simply because six months of Socialist government had by then already depressed prices well below the original purchase cost. This was, of course, the deliberate policy of the haters of private investment, but now they have gone is there any reason why a Conservative Government pledged to encourage savings and investment sbould perpetuate their malice?

For pre-1964 investments let us now revert to original purchase price for ascertaining losses and, if fairness is to be any criterion, purchase price plus a nominal 25 per cent. the starting point for measuring capital gains on securities held continuously for a minimum period of, say, five years.

The £500 exemption for gains is welcome enough but many who are not rich may need much more than that to improve their income or to meet existing or unexpected financial commitments.

Ronald Beale.
Chimneys, 27, Oatlands Road, Weybridge, Surrey.

TV/Radio

* Indicates programme in black and white.

BBC 1

*9.38 a.m. For Schools, Colleges. *12.55 p.m. Yr Eneth Ge'th Ei Derbyn: Pembroke Castle. 1.30 Joe: Watch with Mother. 1.45 News. *2.00 For Schools, Colleges. *3.45 Nurses in Training, part 5. 4.15 Play School. 4.40 Jackanory. 4.55 Animal Magic. 5.20 Harlem Globetrotters. 5.44 Magic Roundabout.

5.50 News.

*6.00 Nationwide and Your Region To-night.

6.45 Transworld Top Team.

7.05 Z Cars.

7.30 Film for To-night: "Carry On Cabby," starring Sidney James, Hattie Jacques, Kenneth Connor, Charles Hawtrey and Liz Fraser.

9.00 Nine O'clock News.

9.20 Making A Republic: Fifty Years of Irish Independence.

10.15 On Location: Almeria—The Hollywood of Europe.

10.45 24 Hours.

11.20 Viewpoint.

All Regions as BBC 1 except at the following times:—

Wales—*5.20-5.44 p.m. Telewele. *6.00-6.45 Wales To-day. *6.45-7.05 Heddiw. *10.15-10.40 Canu'r Bobol. *10.40-10.45 Not Strictly Folk: guitar.

Scotland—*6.00-6.45 p.m. Reporting Scotland. 10.15-10.45 The Generation Gap. 11.20 Scottish Viewpoint, followed by Scottish News Headlines.

Northern Ireland—*6.00-6.45 p.m. Scene Around Six. *10.15-10.45 Cabaret from Larne, followed by Northern Ireland News Headlines.

England—*6.00-6.45 p.m. Look North (from Leeds, Manchester, Newcastle); Midlands To-day (from Birmingham); Look East (from Norwich); Points West (from Bristol); South To-day (from Southampton); Spotlight South-West (from Plymouth). 10.15-10.45 North (from Leeds) Savile's Yorkshire Travels: North-West (from Manchester) That Stuart Hall Show: North-East (from Newcastle) Close The Coalhouse Door; Midlands (from Birmingham) Contact; East Anglia (from Norwich) On Camera; West (from Bristol) Claim to Fame; South (from Southampton) One Man And His Dog: South West (from Plymouth) Peninsula. 11.37 Regional News Headlines.

BBC 2

11.00 a.m. Play School.

*6.35 p.m. Square Two.

7.00 Good Sailing, part 1.

7.30 News.

8.00 Floodlit Rugby League: BBC 2 Trophy, quarter-finals—Leeds v Halifax.

8.50 Wheelbase.

9.20 "French Dressing," starring James Booth and Roy Kinnear.

10.40 News on 2.

10.45 The Old Grey Whistle Test.

LONDON

10.20 a.m. and 1.45 p.m. Schools. *2.33 Time to Remember. 3.00 Interval. 3.05 Toolbox. 3.40 Anita in Jumbleland. 3.55 Yoga For Health. 4.25 Tea Break. 4.55 Junior Showtime. 5.20 Magpie.

5.50 News from ITN.

6.00 To-day.

6.30 Crossroads.

6.55 Girls About Town.

*7.25 The Tuesday Film: "Watch Your Stern," starring Kenneth Connor, Eric Barker, Leslie Phillips, Joan Sims and Sidney James.

9.00 Playhouse.

10.00 News at Ten.

10.30 Big Jack's Other World.

11.00 Drive-in.

11.30 Don't You Believe It! Dr. Christopher Evans talks to Seton Pollock of the Law Society.

All ITV Regions as London except at the following times:—

ANGLIA

4.10 p.m. Yoga For Health. *4.35 Anglia Newsroom. 4.40 Anita in Jumbleland. 6.00 About Anglia. 7.00 "Flaming Feather," starring Sterling Hayden and Forrest Tucker. 8.30 Girls About Town. 11.30 Reflection.

ATV MIDLANDS

3.10 p.m. Yoga For Health. 3.35 To-morrow's Horoscope. 3.40 Women To-day. 4.10 Room 222. 4.40 Anita in Jumbleland. 6.00 ATV To-day. *7.00 Star Movie: "China Venture," starring Edmond O'Brien, Barry Sullivan and Jocelyn Brando. 8.30 Girls About Town. 11.00 Personally Speaking: Professor Robert Boyd.

BORDER

3.40 p.m. The Garden Indoors. *4.08 Border News Headlines. 4.10 Yoga For Health. 4.40 Anita in Jumbleland. *6.00 Border News and Lookaround. 7.00 Tuesday Western: "Column South," starring Audie Murphy and Joan Evans. 8.30 Girls About Town. 11.32 Border News Summary.

CHANNEL

4.05 p.m. Grasshopper Island. 4.20 Puffin's Birthday Greetings. 4.25 McQueen. 6.00 Channel News. 6.10 Police File. 6.15 Channel Lookaround. 7.00 Star Movie: "Simon and Laura." 8.30 Girls About Town. 11.00 Channel Gazette. 11.05 Commentaires et Previsions Meteorologiques.

GRAMPIAN

*3.30 p.m. Grampian News Headlines. 3.33 Cartoon Time. *4.00 Grampian News. *6.10 High Time. 7.00 Tuesday Western: "The Rounders," starring Glen Ford and Henry Fonda. 8.30 Girls About Town. *11.00 Juggernaut. *11.30 Mathman—A Preview for Parents. 11.50 Evening Prayers.

GRANADA

*3.45 p.m. All About Riding. 4.10 News followed by Peyton Place. 4.40 Origami. 6.00 Newsday. 6.25 Hogan's Heroes. *6.50 "The Naked Truth," starring Terry-Thomas and Peter Sellers. 8.30 Girls About Town. *11.00 Play Better Golf.

HTV

3.50 p.m. Women Today. 4.15 Tinkerlalument. 4.30 Crossroads. 6.01 Report West. 6.18 Report Wales. 6.35 Tuesday Western: "Apache Uprising," starring Rory Calhoun and Corinne Calvet. 8.00 Mr. and Mrs. 8.30 Girls About Town.

SCOTTISH

3.30 p.m. The Enchanted House. 3.45 Crossroads. 4.10 Dateline. 6.00 Dateline: Tuesday. 6.20 Hogan's Heroes. *6.50 Tuesday Feature: "A Pair of Briefs," starring Michael Craig and Mary Peach. 8.30 Girls About Town. 11.00 Late Call. 11.05 Beagan Gaidhlig.

SOUTHERN

3.10 p.m. Yoga for Health. 3.35 Tomorrow's Horoscope. 3.40 Women Today. 4.10 Houseparty. 4.23 Omicron and the Spatnik. 4.30 Crossroads. 6.00 Day by Day. 6.35 The Smith Family. 7.05 Tuesday Film: "Ambush at Tomahawk Gap," starring John Derek, John Hodiak and Maria Elena Marques. 8.30 Girls About Town. 11.00 Southern News Extra. 11.10 Farm Progress.

TYNE TEES

2.35 p.m. The Scientists. 3.15 Pied Piper. 3.20 Training the Family Dog. 3.45 Women Today. 4.10 North East Newsroom. 4.15 Room 222. 4.40 Yak. 6.00 Today at Six. 6.30 The New Dick Van Dyke Show. *7.00 Tuesday Western: "The Ride Back," starring Anthony Quinn. 8.30 Girls About Town. 11.00 The Nairn Anglo American Golf Challenge. 11.45 Late News Extra. 12.00 Trumpeter, What Are You Sounding?

ULSTER

4.30 p.m. Romper Room. *4.50 Ulster News Headlines. *6.00 UTV Reports. *6.15 Character. 7.00 Gunsmoke. *8.00 Headline. 8.30 Girls About Town. 11.00 Be My Guest.

WESTWARD

3.55 p.m. The Gus Honeybun Show. 4.05 Grasshopper Island. 4.20 Westward News Headlines. 4.22 McQueen. *6.00 Westward Diary. 7.00 Star Movie: "Simon And Laura," starring Peter Finch, Muriel Pavlow, Kay Kendall and Ian Carmichael. 8.30 Girls About Town. 10.59 Westward Late News. 11.03 Faith For Life.

YORKSHIRE

2.34 p.m. The Scientists. 3.15 Pied Pipers. 3.20 Training the Family Dog. 3.45 Yoga for Health. 4.05 Calendar News. 4.10 Women Today. 4.40 Sean the Leprechaun. 6.00 Calendar. 6.30 The New Dick Van Dyke Show. *7.00 Tuesday Western: "The Hangman," starring Robert Taylor, Fess Parker, and Tina Louise. 8.30 Girls About Town. 11.00 Nairn Anglo-American Golf Challenge.

RADIO 1 247m

Time checks, up-to-the-minute traffic reports and News summaries at 5.30 a.m., 6.00, 6.30, then every hour on the half-hour until 2.30 p.m., 3.00, 3.30, 4.00, 4.30, 5.30, 6.00, 6.30, 7.00, 8.00, 11.00, 12 midnight, 1.00 a.m., 2.00. Weather at 5.32 a.m., 6.02, 6.32, 7.32, 8.32, 5.32 p.m., 8.32, 7.02, 2.02 a.m.

5.30 a.m. As Radio 2. 7.00 Tony Blackburn. 9.00 Jimmy Young. 11.00 Dave Lee Travis. 1.00 p.m. Johnnie Walker. 3.02 Terry Wogan. 5.00 What's New: Mike Lennox. 6.00-10.00 As Radio 2 (Radio 1 on VHF and 247m between 10 p.m. and 12 midnight). 10.00 Sounds of the 70s. 11.02 An Ear to the Ground: Alan Black. 12.00-2.02 a.m. As Radio 2.

RADIO 2 1,500m; VHF

News summaries at 5.20 a.m., 6.00, 6.30 (VHF and 247m), 7.00, 7.30, 8.00, then every hour on the hour until 3.00 p.m., 3.30, 4.00, 4.30, 5.00, 5.30, 6.00, 6.30, 7.00, 9.00, 10.00 (1,500m), 11.00, 12 midnight, 1.00 a.m., 2.00. Weather at 5.32 a.m., 6.02, 6.32, 7.02, 7.32, 8.02, 9.02, 5.32 p.m., 0.32, 7.02, 2.02 a.m.

5.30 a.m. News. 5.32 Breakfast Special. 6.27 Racing Bulletin. 8.55 Pause for Thought. 9.02 Pete Murray's Open House. 11.02 Morning Story. 11.15 Waggoners' Walk. 11.30 Tony Brandon. 2.02 p.m. Woman's Hour. 3.02 Terry Wogan. 4.15 Waggoners' Walk. 4.31 Sports Desk. 4.33 Charlie Chester: music, letters and stars on disc. 6.02 Album Time. 6.50 Sports Desk. 7.03 After Seven: David Jacobs. 8.02 Does the Team Think? 8.30 Lionel Bart's "Oliver," part 1; Howard Keel invites you to listen to highlights from famous movie musicals. 9.00 Alan Dell's Big Band Sound. Radio 2 on 1,500m and 202m only between 10 p.m. and 12 midnight (202m Edinburgh, Glasgow, Dundee and Aberdeen). 10.02 Late Night Extra, including Sports Desk at 10.15. 12.00 Midnight Newsroom. 12.05 a.m. Night Ride. 2.00 News.

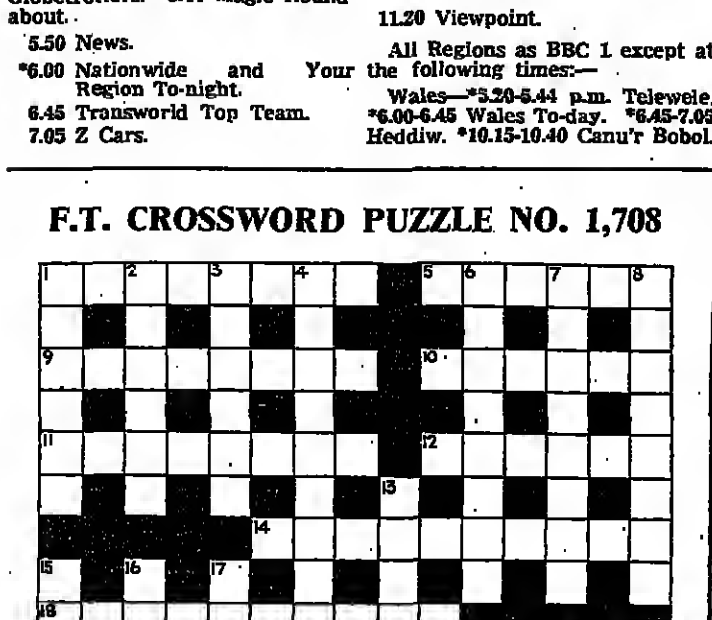
RADIO 3 194m, 464m; VHF

7.00 a.m. News. 7.05 Morning Concert: Rameau, Graun, W. F. Bach, Elgar, Tailleferre, Ravel, gramophone records. 8.00 News. 9.05 This week's composer: Schumann on gramophone records. 9.45 Cross-section, 1788: Haydn, Mozart. 12.15 p.m. Cardiff Midday Prom, part 1: Gluck, Paganini. 1.00 News. 1.05 From Music Magazine. 1.20 Midday Prom, part 2: Mozart, Mendelssohn. 2.05 Grown in the Garden: present-day singers from London's Royal Opera House, part 5, gramophone records. 2.35 Haydn Piano Trios. 3.20 The British Composer: Walton arr Tausky, Berkeley, Elgar. 4.20 Pied Piper. 4.40 Music in Our Time: Antoni Viera, Emil Petrovics, gramophone records. 5.45 Sing We At Pleasure. 6.15 Concert Calendar. 6.25 Programme News and Stock Market Report. 6.30-7.30 Study on 3: 6.30 Perspective, part 5. 7.00 Affluence and inequality, part 5. 7.30 Cavalleria Rusticana: Opera in one act. 8.50 King Solomon's Mines: talk. 9.15 Vivaldi on gramophone records. 9.40 Invitation Concert, part 1: Stravinsky, Martin Dalby. 10.25 The Savage God, part 2: talk. 10.45 Invitation Concert, part 2: Martin Dalby, Stravinsky. 11.30 News Summary.

RADIO 4 330m; VHF

6.25 a.m. News Summary. 6.27 Farming Today. 6.45 Prayer for the day. 6.50 Regional news, weather and preview. 7.00 Today: magazine. The News. 7.40 Today's Papers. 7.45 Thought for the day. 7.50 Regional news, weather and preview. 8.00 News and more of Today. 8.40 Today's Papers. 8.45 Harvest Moon: story. 9.00 News. 9.05 From our own correspondent. 9.30-10.15 For Schools. 10.15 Daily Service. 10.30-12.00 For Schools. 12.00 You and Yours. 12.25 p.m. Just a Minute. 12.55 Weather, preview and news. 1.00 The World at One. 1.30 The Archers. 1.45 Listen with Mother. 2.00-3.00 For Schools. 3.00 Return to the Islands, part 4: The Prisoner. 3.45 An Angel Without Wings: London 70 years ago, reminiscences. 4.00 Gardeners' Question Time. 4.30 Story Time. 5.00 P.M. Reports: News magazine. 5.50 Regional news followed by Weather and preview. 6.00 News. 6.15 Blast of Spring. 6.45 The Archers. 7.00 News Desk. 7.30 It's Your Line 01-580 4411: Robin Day puts your question to Rt. Hon. Sir Keith Joseph, MP. 8.30 A Story of Our Time: What Happened to Hancock? 9.15 This Island Now: The Owners of Our Cities. 9.59 Weather. 10.00 The World Tonight. 10.45 Today in Parliament. 11.00 A Book at Bedtime. 11.15 News. 11.31 Market Trends.

F.T. CROSSWORD PUZZLE NO. 1,708



ACROSS

1 Example of modish hearing (8)
5 Made quiet animal apring (6)
9 Put forward on the side of the encloaure (8)
10 Go on in the abstract (6)
11 Gave a melting performance! (8)
12 Hinders poor poets with a shilling (6)
14 Debt in a way to a big lion (10)
18 The courtesan's effortless goodness? (4, 6)
22 Dances on wheels (6)
23 Ill-starred vessel? (8)
24 After to-day, dog lacks nothing for putting on (6)
25 The relevant stuff (8)
26 Agreed with Homer (6)
27 Admirer appears to confess to procrastination (8)

DOWN

1 Tell the skill of a devil (6)
2 For meals in courts? (6)
3 "As the rapt Seraph that —— and burns" (Pope) (6)
4 Ride to Lancashire town and see cathedral (10)
6 Save Rose from going abroad (8)
7 Mix tonic in which herb turns up for the nervous (8)
8 Night service (8)
13 Very little help—on the face of it (6-4)
15 About the tune control (8)
16 Gone up to add scene (8)
17 Possible use for anything you say (8)
19 Call on Dad to return the ring (6)
20 I start for the performer (6)
21 There's gold around the atreet with the French groom (6)

SOLUTION TO PUZZLE No. 1,707

Racing

To-day's Events appear on Page 14

Foxtor a jump ahead

by DARE WIGAN

THE RESULT of the Biggin Hill Handicap Chase (1.45) at Lingfield this afternoon is likely to hinge on whether *Foxtor* is capable of conceding 17 lbs successfully to *Flosuebarb*.

At Ascot, last Wednesday, *Flosuebarb* demolished the hopes of the holders of 10 Tote jackpot tickets when she reversed the form with *Trysting Day* to the tune of 53 lengths, as compared with their running at Kempton on October 16—that is, assuming that the experienced reporters of *Raceform* were accurate in their judgment of distances—and they usually are.

Nevertheless, it is my belief that *Foxtor*, who I am assured jumped exceptionally well when defeating *Astbury* at Chepstow the other day, will come out the better.

David Barons and Brian Davies, the trainer and jockey associated with *Foxtor*, will no doubt hope to complete a double with *Greek Melody* in the Pembury Handicap Chase (2.15); but here I prefer *Ben Ruddock*, who, after finishing second to *Osbaldeston* at Kempton defeated some useful animals at Plumpton last Tuesday.

The form of *Blest*, who finished a creditable second to *Centaur* at Kempton at the beginning of last month, was made to look all the better when *Centaur* scored again at Huntingdon, and P. Supple's gelding is a logical suggestion for Division I of the Rotherfield Juvenile Hurdle (1.15). *Faithful Hope*, who showed a degree of promise on the flat, may prove dangerous.

Crispy, who may have beaten *Milk Diet* and *Royal Hat* at the recent Newbury meeting had he not made a serious mistake two flights from home, looks best in Division II (3.15) where his most dangerous opponent is likely to be *Bijou Boy*, who finished 2¼ lengths behind him at Newbury.

So well did *Rabbie Rouser* run following a long absence from the racecourse when fifth behind *Flower Picker*, *Shahr Aly*, *Power Play* and *Colditz Story* in the Furious Handicap Hurdle at Kempton on October 16 that I expect him to go close to winning the Crowborough Handicap Hurdle (2.45). *Spring Mount* looks best in the November Selling Handicap Chase (12.45).

Flower Picker turns out at Leicester for the Midland Handicap Hurdle (1.45), and, as he has only 2 lbs more to carry here, and the opposition looks, if anything, less formidable, there is no reason why he should not score again.

Stickler, who led from start to finish when winning over 2¼ miles at Fontwell the other day, can adopt similar tactics with success in the Bosworth Handicap Chase (2.45) over two furlongs less.

Game Gent will probably provide champion jockey Graham Thorner with a winner in the Tugworth Novices Chase (3.15).

Possibly the best bet at to-day's three meetings is course-specialist *Gyleburn*, in the Roman Wall Handicap Chase (3.00) at Hexham, for he finished 10 lengths ahead of the subsequent winner, *Best View*, when losing by a head to *Chester Moor* at Teesside on October 9.

LINGFIELD

12.45—Springmount
1.15—Blest
1.45—Foxtor *
2.15—Ben Ruddock
2.45—Rabbie Rouser **
3.15—Crispy

LEICESTER

1.15—Sunset Fair
1.45—Flower Picker
2.45—Stickler.
3.15—Game Gent

HEXHAM

2.00—Bet Ambre
2.30—Sword Thrust
3.00—Gyleburn ***
4.00—Caley's Harvest

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Festival Hall

Fischer-Dieskau and Rampal

by FRANK DOBBINS

It was difficult to say which "star" shone brightest in Telemann's epiphany cantata *Ihr Völker, Hört*— the high point in the first half of last Friday's concert of early 18th century chamber music. The composer provided equal opportunities for flute and voice, and although Jean-Pierre Rampal did not emulate Dietrich Fischer-Dieskau by adding embellishments to his obbligati in the two da capo arias, he matched the singer's varied expression and effortless articulation. The continuo provided by the great flautist's French colleagues, Robert Veyron-Lacroix (harpsichord), and Jacques Nielz (cello) generally remained discreetly in the background, although the strain seemed to tell on Nielz in some over-zealous vibrato and imperfect timing at cadence points.

It is perhaps symptomatic that Rampal should shun the support of the cello in the sonatas by Bach, Blavet and Vivaldi; this seems to be his normal practice, which is a pity since the harpsichordist tries to compensate for the lack of bass by choosing a heavier registration, at times obscuring the detail of the flute's delicate tracery: however, even in the adverse acoustical conditions of the large hall, Rampal's tonguing and phrasing was a triumph of brilliance and virtuosity.

The programme opened with a "vibrant" sonata published in 1731 by Michel Blavet, whom Quantz regarded as the greatest player of his time. Rampal proved himself a worthy successor, handling the *agréments* with consummate skill and sensitivity. His effortless passage-work and fine phrasing in Bach's E minor sonata (BWV 1034) never ceases to amaze, although for me this performance was marred by a somewhat over-active continuo. The same applied to the pastoral sonata in G minor (Op. 13 no. 6) by Vivaldi, which opened the second half.

The climax of the concert was a rare performance of Rameau's "Thetis" a remarkable impassioned cantata for bass voice, violin and continuo which anticipates the vigour and drama of *Castor et Pollux* composed 20 years later. Fischer-Dieskau, who in the Telemann cantata had managed the tenor range (the original soprano part being transposed down an octave) with great ease, showed his versatility in manfully tackling Rameau's bass part. Although his voice had not the same power and clarity in the lower tessitura, he admirably evoked the fury of Neptune and the force of Jupiter before the final aria's gentle plea to Thetis to be led by love rather than glory. Rampal played the virtuosic violin part with its rapid semiquaver repeated notes and scale - passages with phenomenal facility, his agile tongue convincing the audience that the most idiomatic of baroque string writing is not only possible but effective in the hands of a master flautist.

Itzhak Perlman

by DOMINIC GILL

One of the finest of an astonishing generation of young violinists is the Israeli Itzhak Perlman (b. 1945). Since his debut in London three years ago he has played here often: no introductions are needed. Enough to mark for the record that his performance of Beethoven's violin concerto with the LSO under André Previn on Sunday evening was a common event made rare: a performance of the simplest, sublimest kind, never ostentatious yet highly individual, freely expressive but never vulgar or licentious, natural, exciting, utterly true to itself.

The whole attitude of Perlman's account struck a marvellous balance between restraint and outward feeling. I can imagine that to some ears the attitude may have seemed too "refined," lacking in earthy sense. I found it exactly right—the first movement massive, forever expanding, freed from ordinary laws of musical gravity but always tautly controlled; in the larghetto, not a single false accent bowed—and what control of bowing, what economy of movement! The finale, never hurried: a great variety of tempi indeed used to maximum expressive effect, a building up of rondo—block on block, curve on curve, exalted but never frenetic. And always the purest, deftest shading of colour and tone.

A memorable performance. Nothing at all to follow it might have been best: but second best, and a sensible choice — rather than another classical work— was Prokofiev's *Alexander Nevsky* cantata, exuberantly and cunningly devised from his Eisenstein film score. The LSO, and Previn, and the LSO chorus, poured into it exuberance in plenty — though once or twice, particularly in the "Field of the Dead" sequence, a little less of cunning.

Radio 3

Hamlet by B. A. YOUNG

John Tydeman's *Hamlet* in stereo for Radio 3 was a creditable affair, even if its main result was to demonstrate that comparatively little of *Hamlet* can be transmitted on sound alone.

Ronald Pickup spoke the Prince's lines with freshness and intermittently with passion, though with less feeling for their poetry than one had hoped. His voice felt too persistently for the keynote, he relied too much on the "Macready pause" for emphasis. This was a young and reasonably princely Hamlet, but short of personality; I saw little beyond the words but an intelligent actor with a script.

Predictably, less complex characters came across more clearly. Robert Lang's Claudius, deep-voiced and dignified, was very good, and he spoke "O, my offence is rank" splendidly. Maxine Audley was an admirable Gertrude, too, and Angela Pleasence an interesting Ophelia—light voice, mercurial passions, and a cavalier way with her mad songs, veering wildly from key to key, taking breath in the middle of sentences, and generally sounding more convincingly like a mad teenage girl than many stage Ophelias do with all the resources of flowers and rumpled hair.

The production was gratifyingly clear of "effects." A tucket here, a sennet there, an electronic hum to signify the presence of the ghost, this was all the music we had. I thought the sound might have been better slotted into the dialogue sometimes. The bell that tolled for Ophelia's funeral, the drum that heralded Fortinbras's arrival, need not have waited so patiently for their cues. It seemed pointless to me to have a boy speak the Player Queen's lines if a boy wasn't available whose voice was not "crack'd within the ring."

Tutankhamun treasures for London

One of the most valuable collections of ancient Egyptian works of art ever discovered will be officially opened in March 1972 at the British Museum. The 50 items which will be seen, are taken from the tomb of Tutankhamun. Because they are priceless in insurance terms these objects will be covered by a British Government indemnity for many millions of pounds. Entitled "Treasures of Tutankhamun" the exhibition will be open to the public for six months and marks the 50th Anniversary of the treasure's discovery in Egypt's Valley of the Kings by archaeologists Howard Carter and Lord Carnarvon.

Treasures of Tutankhamun will give many people in Great Britain their first opportunity to see some of the finest pieces from the treasure. Among the exquisite and priceless items which will be seen are the gold portrait mask from the King's mummy, the small golden shrine, the gilded figure of the King in a papyrus boat harpooning, a spectacular collection of gold jewellery, the gold dagger, gold figures of the King and many other beautiful objects.

The treasure is being lent by the Antiquities Department of the Arab Republic of Egypt as a result of an agreement concluded earlier this year between the UAR and the British Government. After deducting exhibition expenses, the sponsors, namely the British Museum, *The Times* and *The Sunday Times*, will give the proceeds to the UNESCO administered fund to save the temples on the island of Philae, which are to be removed to higher ground owing to the ever changing level of the Nile.

The treasure will be flown from Egypt to Great Britain partly by the RAF and a number of specially chartered jet flights; and very elaborate security precautions will be taken to cover the movement of the objects.

Agnews/Lefevre

Old and modern masters

by DENYS SUTTON, Editor of Apollo

A detail from "Madonna and Child" by Lorenzo Monaco

The autumn season has begun with considerable éclat in the London art world and the art trade has succeeded in mounting interesting exhibitions of Old Masters and modern art. It is now some years since Agnews held a show of recent acquisitions and the array of excellent items now on view is most welcome, for it contains important works from different Schools and periods.

The earliest and perhaps the most important picture is the magnificent *Madonna and Child* by Lorenzo Monaco. This is the centrepiece of an altarpiece dating from the latter part of the 14th-century which is now distributed in various localities. It is in an excellent state of preservation and it is rare indeed to find a blue robe that has not turned a murky colour. It is one of the paintings by this Florentine master which shows how he grafted Sienese charm on to a monumentality of form derived from Giotto.

Professor Zeri, who has reconstructed the altarpiece to which it belongs, rightly draws attention to the fact that its colour affords "a significant bridge between the palette of Giotto and that of Fra Angelico." The colour, in fact, is striking and explains one of the reasons which prompted collectors of the 1900s to lavish such affection on the early Italians: they possess affinities with the lyrical colours of Matisse. Significantly Berenson defended the French painter when he was under attack in the early days of his career.

Another rare work in this show is an *Adoration of the Magi* by Giovanni Bellini which dates from early in his life, when he underwent the influence of Mantegna. It is this current that accounts for the stark articulation of the figures. It has too that romantic colour which was such a feature of Bellini's art. It is a painting that illustrates the changes that occurred in this master's art, for he ended up by assimilating the influence of Giorgione.

The Venetians are well to the fore at Agnews. It is a rare occasion to find on the market excellent portraits by Sebastiano del Piombo and Tintoretto. Both come from distinguished collections; the former from the Contini-Bonacossi collection, the latter from Lord Clark. Sebastiano del Piombo's *A Man with a Falcon* dates from the 1530s and is notable for the effective handling of the bird, a bravura passage which would have appealed to Sargent. The emphasis on the sitter's character, a wily one, suggest that Lorenzo Lotto had no monopoly of psychological insight in the 16th-century.

Tintoretto's *Portrait of a Young Man as David* dates from a decade or so later and shows the continuity of the Giorgionesque concept of painting, although the accent is now placed on a more dramatic handling of the background than would have been the case in a work by this idyllic master.

The Northern and Italian Schools of the seventeenth century are admirably represented in the exhibition by a variety of works that include a small head by Rembrandt, a powerful Lanfranco, suggestive of the influence of Caravaggio and an *Adoration of the Shepherds* by Jean Tassel, a little known French master who learnt much from Caravaggio. Dutch landscape and genre painting is also to be found; Metsu, for instance, is shown with a charming picture of a lady which was once in a Rothschild collection.

Two of the most dazzling pictures are by Francesco Guardi. Dating from the early 1780s, one represents the Grand Canal, the other the Church of San Cristoforo della Pace. They show this Venetian poet at his most scintillating, as a refined painter of architecture and as an evoker of the Venetian mood; he anticipates the Impressionists.

The tradition of Italian decorative painting is an interesting one. One of its most elegant practitioners was Locatelli and his two *Pastoral Landscapes* deserve special notice. These sophisticated paintings show that this polished artist could create works which, though demonstrably descending from a tradition that owed much to the rugged work of Gaspard Dughet, are more than pastiches; they possess their own individuality. They are the sort of pictures that stirred the heart of the English milord on the Grand Tour.

Eugène Boudin was a prolific master, but he had the gift of giving each picture an individual touch. This is clear from the group of his works to be seen in the exhibition of nineteenth and twentieth century French painting at the Lefevre Gallery. Two of these are views of the port at Trouville, painted in 1888 and 1895 respectively. There is nothing hackneyed about his handling of the theme and the skies are given an almost Baroque exuberance.

Drawings that can be related to specific paintings by the Impressionists are rare. This exhibition includes an exquisite pen drawing of a woman doing her hair of about 1875 by Renoir which was used for a painting that dates apparently from ten years later. The painting is a composed scene, for the model would hardly appear half-clad by a pool in autumn, for this is the season suggested by the colour of the tree. This charming picture harks back to the 18th century, to Boucher in fact, and once again suggests that sense of continuity that is always a feature of French art. On the other hand, the delicious *Still-life* of 1918 presents an affinity with Bonnard.

One of the most fascinating works shown is Cézanne's *La Femme à la Cafetière* of about 1893 which was once in the collection of Lord Clark. Although the paint gives the impression of having been washed on to the canvas, the effect is monumental; the structure of the head can be grasped and, what is no less evident, her personality. It is a *tour de force*.

The quality of observation that marks Cézanne's portrait is to be found in the marvellous Degas pastel of a woman washing herself. Here, however, the artist is not concerned to depict character; his intention is to render the movement of the arm and to establish a relationship between the basin, as exquisitely coloured as a Chinese pot, and the woman's body. The result is a series of patterns and colours that thrills the eye.

The appeal of the Thames to foreign painters is well known; Monet, Whistler, Derain and Staël are among those who have been inspired by it. Derain saw the Thames in no literal sense and, as *Old Waterloo Bridge* shows, the subject was the pretext for the creation of a highly coloured canvas in which the colours stream across the sky as if confetti. The result is a daring picture which shows to what good use this master put the lessons of divisionism and confirms the importance of Fauvism.

Coliseum

The Force of Destiny

by ELIZABETH FORBES

The original performances of Colin Graham's production of *The Force of Destiny*, given by Sadler's Wells Opera at the Coliseum in December, 1968, were some of the best and most enjoyable of any Verdi opera heard in London during the last decade. Since then the work has only once been revived, and has not been in the repertory now for over two years, presumably because of casting difficulties.

I wish I could say that these difficulties had been solved for the performance last Thursday, but unfortunately that was not the case. An almost entirely new cast had been assembled, four of the principals having never sung their roles before, and four of them only on tour. The production had obviously been well rehearsed by Colin Graham, and the crowd scenes in particular came over with the same brilliance and vigour as before; an unusually vivid portrayal of Preziosilla by Katherine Pring turned the Rataplan scene into the high spot of the evening, vocally as well as dramatically.

Miss Pring was also lucky in that she was allowed by the conductor, John Barker, to take her music at a natural speed. Most of the rest of the time Mr. Barker chose such expansive tempos that a great deal of the excitement inherent in the work evaporated. If Miss Pring supplied a welcome touch of frivolity to the performance, Clifford Grant was responsible for much of the more serious enjoyment that it afforded, singing the Padre Guardiano's music with firmness and serenity. It was also a pleasure to hear Alberto Remedios in an Italian part again. His excursions into Wagner have strengthened his voice without spoiling its sweetness, and when he has settled down into the role a bit more, he should make a fine Don Alvaro.

Milla Andrew did not seem in her best voice as Leonora. She produced some fine ringing top notes, but was not able to sustain the smooth line that Verdi's arching phrases require. As her brother, Terence Sharpe was clearly miscast. Don Carlo di Vargas is one of the heaviest of the Verdi baritone roles, and Mr. Sharpe, well as he sings Figaro in the *Barber*, or even Germont père, just cannot meet the demands of "Urna fatale" or the second two of the three tenor/baritone duets.

David Bowman is not a natural comedian, and his Melitone was consequently rather more acid in character than usual, but he sang his set-piece in the camp scene very well. There were excellent contributions from Robert Lloyd as the Marquis of Calatrava, from Anne Collins in the tiny part of Curra, and from John Delaney as a jaunty Trabuco. The chorus, when permitted, showed great vitality and animation, without sacrifice of accuracy or ensemble. The orchestra too played satisfactorily. It was apparently the 500th performance conducted by John Barker for Sadler's Wells Opera.

Arts news in brief...

The Queen will attend the the world premiere in London of the Sam Spiegel production for Columbia Pictures, *Nicholas and Alexandra*, at the Odeon Theatre, Leicester Square, on November 29, in aid of the Spastics Society.

*

William Douglas Home's latest play *The Douglas Cause* will open at the Duke of York's Theatre on Thursday, November 4, with Andrew Cruickshank heading a large cast of Scottish actors. *The Douglas Cause* is based on one of the most famous 18th century legal cases in which the paternity of twins born to Lady Jane Douglas was the subject of a most violent reaction which shook both Scotland and England, ending up in the House of Lords.

*

To mark the conclusion of the 150th anniversary of the death of John Keats in 1821, London Literary Editions of 29 Avenue Chambers, Vernon Place, London W.C.1. are initiating an annual poetry competition. The total prize money will be £2,000 each year. There will be no fewer than 43 prizes, with a first award of £600. The second prize will be £300, the third £100, plus 40 others of £25 each.

The judges will announce the prizewinners on March 24, 1972, at the National Book League, 7 Albemarle Street, London W.1.

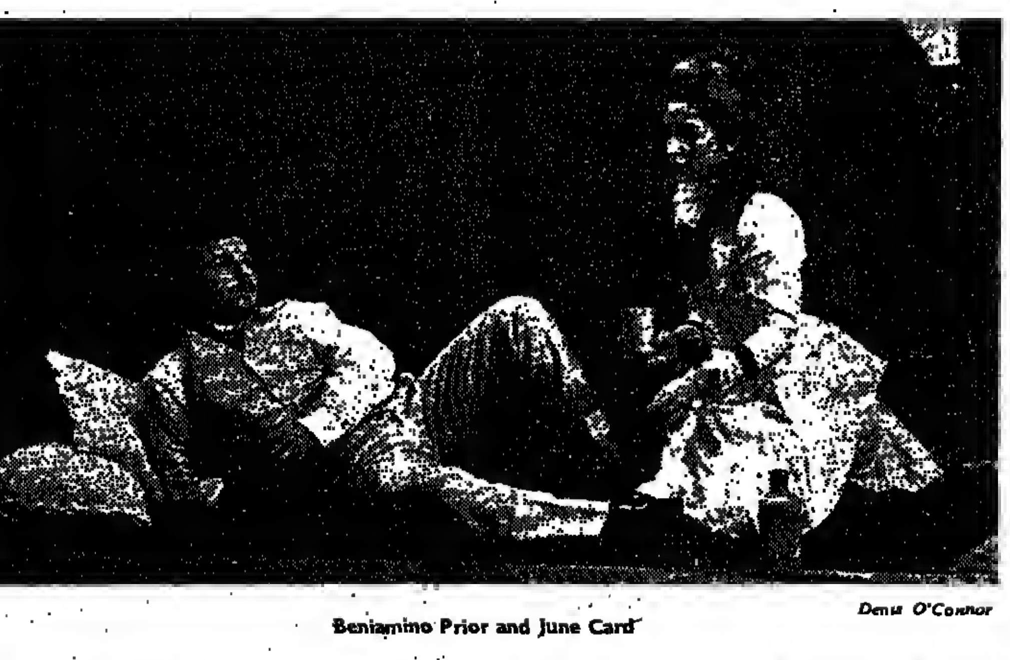
*

Princess Margaret, will attend the Royal European charity premiere of *Willy Wonka and the Chocolate Factory*, which will be in aid of the National Society for the Prevention of Cruelty to Children, on Thursday, December 16, at the Plaza Cinema. Princess Margaret is president of the NSPCC.

Wexford Festival—2

Rondine, Pêcheurs

by ANDREW PORTER



Beniamino Prior and June Card — Denis O'Connor

Puccini's "operetta" *La rondine, his commedia lirica*, is, in the composer's words, "a light sentimental opera with touches of comedy—agreeable, limpid, easy to sing, with a little waltz music, and lively and fetching tunes." A just description (except that there is quite a lot of waltz music). The piece is too seldom played. *The Swallow* first took wing at Monte Carlo, with Gilda dalla Rizza and Tito Schipa, in 1917. Higgins of Covent Garden turned it down unless it were "adapted to English taste" with comic dialogue and a happy ending: London had to wait until 1965 for a production (in Fulham Town Hall). *La rondine's* main misfortune, perhaps, was to be published by Sonzogno rather than the powerful house of Ricordi (though, to be sure, *Cavalleria rusticana* and *Pagliacci* are Sonzogno operas which have done well enough).

Wexford had been considering *La rondine* for years, and this year they did it. It was a success. The performance was not all one had hoped for; it was short on charm—and yet the total effect was of a charming, delightful opera: a light, pretty sentimental entertainment concocted by a master. The plot is fluff: elements of *La traviata*, touches of *Manon*, and a dash of *Fedora* in the last act. There are loose ends. Magda, a kept woman (in Second Empire Paris), dresses as a *grisette* and revisits the Bal Bullier of her young carefree days. There she meets Ruggero, a young man from the country, in Paris for the first time. They fall in love and retire to the Riviera, and it is only when he proposes serious marriage that she reveals to him that she is (in Puccini's phrase) "no early violet." They sing a duet, and the swallow returns sadly to her gilded Parisian cage. Magda's lively maid Lisetta (who just like Adele in *Die Fledermaus* dresses up in her mistress's clothes, meets her at a dance, and has ambitions to go on the stage) and Prunier, the poet who has an affair with Lisette, form the second couple. Two sopranos, two tenors, and a dozen or so bit parts. Pretty tunes, cunningly placed; masterly orchestration (though a little opulent for the Wexford theatre); an amused quotation from Strauss's *Salome*; and even a passage or two of bitonality.

The main pair, June Card and Beniamino Prior, were not quite romantic enough, she of voice (though she looked well) and he of manner (though he sang ardently). One never quite believed in their passion. Anne-Marie Blanzat was a lively Lisette, and Alexander Oliver a witty Prunier. The Manon-type trio of saucy girls, Sara de Javelin, Susan Howells and Myrna Moreno, deserve mention. Myer Fredman often let things both orchestral and vocal become too loud, and the climax of Act 2 was ear-splitting rather than luscious. Not much atmosphere or romance in Anthony Besch's staging or John Stoddart's décor. But on the whole an attractive evening: and a demonstration that *La rondine* does not, after all, depend on superb performers for its success. For all its slightness it is more strongly made than one might have guessed.

Michael Geliot is not a producer who opts for easy solutions. With his designer Roger Butlin he devised for *Les Pêcheurs de perles* a smart bare Ceylon that made not so easy match for Bizet's Opéra-Comique exoticism. Christiane Eda-Pierre, Lakmé last year, was equally admirable as Léila: a singer of sweet pure tone, of charm and delicacy—and moreover one who understands the Wexford acoustics and never becomes strident. Nadir calls for a more flexible and limpid tenor than John Stewart's. Marco Bakker was a forthright, vigorous Zurga. The Wexford Festival Chorus was in excellent voice, and Guy Barbier an able conductor. Again, not quite all that one had hoped for; but again a performance quite good enough to provide a rewarding and enjoyable evening.

£50,000 to promote dance talent

The Calouste Gulbenkian Foundation in London is to give £50,000 over the next three years to support individual dance talent and promote the production of new ballets.

Half of this money will establish a dance commissioning fund to help choreographers, designers — including lighting designers—and composers to create original work. The other half will provide individual awards to develop the same group of talents through study visits, company attachments and the like in Britain or abroad.

The two schemes will be supervised by a specially established dance panel under the chairmanship of Peter Brinson, at present director of the Royal Ballet's Ballet for All who becomes director of the Foundation on January 1. Other members of the panel — balanced between dance critics and members of the dancing profession—include Bob Cohan, Peter Darrell, Miss Maude Lloyd, Laverne Meyer, Norman Morrice, John Percival, Andrew Porter and Peter Williams, with Mrs. Jane Nicholas as an observer from the Arts Council.

Farming and Raw Materials

Cheaper platinum for U.K. consumers

BY JOHN EDWARDS

THE U.K. price of platinum has been adjusted downwards by £1.50 a troy ounce, Johnson Matthey, selling agents for Rustenburg Platinum, announced yesterday. This reduces the price from £50-£52 to £48.50-£50.50 an ounce with immediate effect.

The reduction follows the change in currency exchange rates that has meant the sterling price has been out of line with the base dollar quotation ever since President Nixon's virtual devaluation of the dollar in August. The U.S. price for platinum remains unchanged at $120 an ounce, but evidently Johnson Matthey and buyers of platinum consider the currency situation has settled down sufficiently at present for a more accurate sterling equivalent price to be fixed. Engelhard, which sells the platinum produced by International Nickel among others, has also cut its U.K. price. Impala Platinum is continuing to base its price on the U.S. quotation of $120 and any sales outside the U.S. are based on the current exchange rates.

Russian sales

The cut in the U.K. official price comes at a time when the free market for platinum is weakening. Yesterday the London free market, following the trend in the New York platinum futures market, lowered its price range by a further £1 to £42.50-£45 an ounce after falling by £1 last week as well.

There are persistent reports that Russia is planning to become a more competitive seller of platinum, although so far no confirmation of this is available. But the possibility of cheap price sales by Russia has caught the New York market in a nervous mood when there is little consumer buying to support prices. Once the selling started, it quickly accelerated with stop-loss sales by speculators and potential buyers withdrawing in the hope of obtaining even cheaper prices later. Prices in New York have steadied slightly, but the undertone still seems to be very uncertain and a further decline in values would surprise no-one.

Although the platinum producers claim that the U.K. price reduction is merely an adjustment to the changed currency situation, the fact remains that they are now receiving less for their platinum in Britain and U.K. customers are getting their supplies cheaper.

A similar situation also exists for nickel, where U.K. consumers are receiving, with effect from October 1, a rebate each month based on the difference of the sterling/dollar exchange rate from the official rate of $2.40 to the £1. This means British consumers should be receiving a rebate of over 3 per cent. off the official producer price of £1,246.5 a ton.

After the shock announcement on Friday of a further 15 per cent. cut in nickel output because of disappointing sales, International Nickel chairman Henry S. Wingate yesterday said there were indications that the level of the company's sales may have touched bottom in the third quarter of this year. In recent weeks orders from rolling mill products, and to a lesser degree primary nickel, had increased slightly in some markets, he said.

Palladium cheaper

Mr. Wingate was commenting on a steep decline in International Nickel's profits for the first nine months of this year to $86m. compared with $160.6m. in the same period last year.

Meanwhile the U.K. price for palladium is being cut to £14.55 and £15.35 per troy ounce for bulk and small sales respectively from £15.40 and £16.25 previously with effect from November 2 according to spokesmen for the producing companies.

Fishermen to lobby on EEC

By Ken Gofton

REPRESENTATIVES of the inshore fishing industry will meet Mr. James Prior, the Minister of Agriculture, to-morrow to press their case for a tough negotiating position on the European Common Fishing Policy. Fish policy is one of the last hurdles to be negotiated in the U.K. application to join the Common Market, and is due to be discussed at the Ministerial meeting on November 9.

The inshore industry will tell Mr. Prior that it believes the retention of 12-mile fishing limits around the U.K. is essential. It finds unacceptable the latest proposal from the Six, which is that specified areas, such as the Orkneys and Shetlands, should have 12-mile protection for 10 years, with a six-mile limit in other areas.

At to-morrow's meeting, the industry will also repeat its criticisms of the marketing aspects of the Common Fishing Policy, which is considered unworkable.

LME rejects membership request

By Our Commodities Staff

MITSUBISHI Corporation, of Tokyo, confirmed yesterday that the London Metal Exchange committee had rejected an application for ring-dealing membership from its U.K. subsidiary company, Triland Metals.

A U.K. spokesman for Triland said they were surprised and disappointed at the decision, for which no reason had been given. Triland was formed by three companies, Mitsubishi, Intramet of New York and Leigh and Sillivan of Cheshire. Originally Mitsubishi had a 40 per cent. stake and the other companies 30 per cent. each. But in September the LME committee inferred it would not consider an application for ring-dealing membership until one company had a majority interest and was, therefore, able to act as a principal in the ring. As a result Mitsubishi, one of Japan's leading companies, has acquired a controlling interest

Poultry outlook bright in EEC

BY OUR COMMODITIES STAFF

A CHEERFUL view of the poultry industry's prospects in the Common Market was given yesterday by Mr. Fred Kearns, a deputy secretary at the Ministry of Agriculture, who is closely concerned with entry negotiations. He told the poultry industry conference at Eastbourne that the British industry was regarded on the Continent as a "very formidable competitor indeed."

Britain's "home" market would increase five-fold, and there would be more scope for consumption increases on the Continental mainland, Mr. Kearns said. Egg consumption was now static in the U.K., but the UN Food and Agricultural Organisation had predicted that demand in the Six could rise by about 22 eggs per head between 1970 and 1980. Poultry consumption could also rise by about 7.2 lbs per head.

While the Community's imports of eggs and poultry meat from outside countries had been falling, trade between themselves was increasing, eggs by 70 per cent. over three years, and poultry by 30 per cent. over four years.

As an egg-producing country, Britain would be among the largest in the new Community, and as poultry-meat producers it is, with Italy, second only to France. Only Holland was near Britain in terms of efficiency of the industry's structure, Mr. Kearns said.

Earlier Mr. Adrian Collingwood, chairman of the Eggs Authority, had told the 500 delegates that poultrymen, particularly turkey and chicken producers, had many misgivings about the effect on their industry of joining the Market.

"We have no fears at all on grounds of comparative efficiency with our European rivals," he said. "All we require is that the regulations should make sense—and in our opinion many of them don't at the moment—and that competition should be fair."

Mr. Bernard Mallett, chief executive of the Eggs Authority, said decimalisation had persuaded housewives to pay more for an egg. He explained that before decimalisation, when the price went up to 6d an egg, housewives realised they were becoming expensive and cut their buying. "But a price of 30p a dozen just doesn't register with the housewife the way 6d used to.

Mr. James Prior, Minister of Agriculture, at the conference banquet last night, called on the industry to make a major effort for a high level of vaccination again fowl pest.

The conference, the biggest so far held by the industry, continues to-day.

CUT IN SUGAR SURCHARGE

A reduction in the surcharge on raw sugar to £14 a ton from £16 from to-day was announced by the Ministry of Agriculture yesterday.

The cut has been made following the recent rise in the world price of raw sugar as part of the policy of stabilising U.K. domestic sugar prices.

EGG LEVY CHANGE

Egg import levies are reduced from to-day to 5p per 120 eggs for all weight grades, the Ministry of Agriculture announced last night. The levy on imports of dried whole eggs not in shell is raised to £550 per ton, but the levy on imports of frozen or liquid whole egg not in shell is reduced to £50 a ton.

Peru mines still gripped by strike

LIMA, Nov. 1.

THE copper, lead, silver and zinc mines owned by the U.S. Cerro de Pasco Corp. in Peru remained paralysed by a strike by most of its 16,000 labour force to-day, a union spokesman said here, according to Reuter.

The strike began last Wednesday and spread to most of the work force by Friday. The strikers want more pay and better working conditions according to a complex set of demands set out earlier this year.

Our Commodities Staff writes: A decline of copper stocks in the London Metal Exchange warehouses, and the continuation of the Cerro strike, helped keep copper prices steady in London yesterday despite the absence of consumer buying interest. The fall in the copper stocks of 2,100 tons to a total of 125,675 tons was slightly more than had been anticipated generally.

Tin stocks rose unexpectedly by 173 to 5,740 tons, while lead stocks were up by 850 to 48,075 tons and zinc down by 1,225 to 20,425 tons. LME silver holdings rose by 290,000 to 6,650,000 ounces.

Coffee quota switch plan

THE U.S. proposed to the Executive Board of the International Coffee organisation yesterday that the first and second quarterly export quotas be switched round in view of attempts being made to force an end to the dock strike on the U.S. East Coast.

When it fixed the quarterly distribution of the annual quota of 47m. bags, the Coffee Council agreed to switch the October/December quarter total of 10.4m. bags for the January/March quota of 11.8m. bags should the U.S. East Coast and Gulf ports still be in operation on October 10 but still liable to closure by strikes.

World cotton output may be near record

WASHINGTON, Nov. 1.

WORLD production of cotton in the current marketing year, ending next July 31, will rise to 53,140,000 bales (480 lbs. each)—about 1.9m. bales from last season and close to the record 53.2m. bales in 1968-69, the U.S. Department of Agriculture Foreign Agricultural Service estimated.

The U.S. this year is expected to produce 10,701,000 bales, up from 10,166,000 bales last year.

Reuter

Contraction in world grain trade forecast

BY ROBIN REEVES, COMMODITIES EDITOR

WORLD trade in all grains is expected to contract by about 7m. tons to 90m. tons in the current 1971-72 season, after last season's sharp increase, while international market prices are likely to average lower than in 1970-71.

This is the view of the UN Food and Agriculture Organisation's Study Group on Grains, which yesterday concluded a week long meeting in Rome.

Its report said that a moderate decline can be expected for coarse grains during 1971-72, "since the pronounced rise in production in Europe is expected to be more than sufficient to meet the rise in requirements for livestock feed, and most of the additional requirements of Japan will be met by increasing feeding of surplus domestic rice."

Record crops

The group added that trade in wheat is likely to decline mainly because of smaller imports in Europe, Egypt and the Far East. As with coarse grains, the main reason for the drop in demand is the larger wheat crop this season.

The group noted that world grains production in 1971 recovered from the previous year's setback and is likely to exceed the 1969 record. It estimates total production (excluding China) at 872m. tons with coarse grain and wheat production respectively at 564m. tons and 308m. tons.

In 1969 the figures were 514m. tons for coarse grains and 304m. tons for wheat. The group says the increase in the 1971 coarse grain crop of 60m. tons over 1970 reflects record crops in North America and a strong recovery in production in Western and Eastern Europe.

There was also a slight expansion in Latin America, but in Africa the outlook is "mixed," it added.

The group said total supplies of coarse grains available for export in 1971-72 are estimated at 58m. tons more than in the previous year.

On the basis of forecasts submitted by Governments, exportable supplies in the 1971-72 season will exceed import requirements by 18m. tons, it said.

This contrasts sharply [illegible] situation in the previous [illegible] when availabilities only [illegible] exceeded requirements, the group noted. The biggest increase was in the U.S., reflecting the recovery from the blight infestation affecting the previous year's maize crop.

Sharp price fall

"This remarkable change in the supply situation has resulted in a sharp fall in international prices of coarse grains from the exceptional levels reached in the previous season," the group said.

The group forecast that world wheat production in 1971-72, excluding China will reach an all-time peak of 308m. tons—21m. tons higher than in 1970-71. Production has increased everywhere except in the Soviet Union, it said.

World wheat trade is forecast at about 49m. tons in 1971-72—4m. tons less than in the previous season. The main factor in this reduction is the prospect of greater supplies in Europe, it concluded.

Common Market cereals surplus may outstrip budget

BY OUR COMMODITIES EDITOR

ESTIMATES of this year's EEC cereals harvest continue to rise and the total crop is now expected to amount to 76m. tons including grain maize, according to the latest edition of the journal Green Europe.

This makes the 1971 outturn nearly 12 per cent. above the 1966-70 average, and compares with the 1970 crop of 67.7m. tons. More important, there are now serious fears says the journal, that the budgetary estimates for 1971-72 made by FEOGA, the Common Agricultural Fund, will be inadequate for the support buying and export subsidies required.

Intervention levels

The use of calendar year figures for the budget but seasonal figures for grain makes it difficult to compare budget allocations with estimates. But the journal points out that the 1972 budget allocation for cereals is equivalent to some £386m. of which £255m. is for export restitutions and £131m. for buying and denaturing. It is feared the actual bill for 1971-72 will come to £416m. or more.

The most dramatic increase in production has taken place in Germany. The total West German crop is now estimated at 20.3m. tons (not including grain maize) which is 21 per cent. more than the four year average. Yields are up from 26.2 cwt to 31 cwt an acre.

In fact by the end of September, intervention purchases of grain in Germany had reached 1m. tons, including 73,000 tons of French and 10,000 tons of Dutch grain. The flood of French grain into Germany, caused by speculative contracts before the floating exchange rates were allowed for by rebates and levies, has now eased, and market prices have moved above intervention levels.

In France the total grain crop is put at 35m. tons or 4m. tons more than in 1970. Despite a reduction of nearly 600,000 acres in the area under barley, the barley crop still totalled 8.9m. tons, 880,000 tons above the 1970 outturn.

Meanwhile the international market in feed grains has become much steadier. The docks strike affecting much of the Eastern seaboard of the U.S. is a contributory factor, but traders are more inclined to point to the end of the harvest flush period in the Northern Hemisphere and rumours of substantial purchases by the Soviet Union, including one large contract with the U.S.

Pakistan to probe cotton exporters

By Our Own Correspondent

KARACHI, Nov. 1.

THE State Bank of Pakistan has begun investigations against cotton exporters indulging in "under invoicing" and, thereby, depriving Pakistan of a sizeable sum of foreign exchange, it was announced here.

A very large number of cotton traders have recently quoted contract prices much lower than those ruling in the international market, it was claimed. Cotton exporters have to obtain prior permission from the State Bank under the Export Price Check system before making shipments to foreign countries. The purpose of the EPC system is to ensure that raw cotton fetches reasonable prices prevailing in international markets and is intended to act as an effective check against under-invoicing or leakage of foreign exchange.

COMMODITY MARKET REPORTS AND PRICES

BASE METALS

COPPER—Closed lower on the London Metal Exchange. Overnight steadiness of the U.S. market coupled with a slightly larger than expected fall in warehouse stocks caused initial firmness in prices and forward metal traded up to £425. Later, however, they drifted down in idle trading. A holiday on the Continent added to the overall quietness. Turnover, 8,700 metric tons.

Henry Gardner and Co. reported that in the morning, wirebars cash traded at £417.5, 16.5, early-Nov. £415, late-Dec. £421, three months £424 to 25 to 23, 23.5. Kerb: early-Dec. £417.5, three months £422.5, 23, 23.5. Cathodes: cash £406, 05, each Nov. £406, three months £412. Afternoon: Wirebars: cash £416, 15.5, late-Nov. £417.5, early-Jan. £420, late-Jan. £422, three months £422.5, 23. Kerb: three months £422.5. Cathodes: cash £404, early-Nov. £404.5, early-Jan. £410. Kerb: three months £411.5.

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Wirebars				
Cash	416.5-7	-1.75	415.5-6	-1.5
3 months	423-.5	-2	422-.5	-1.5
Settlem't	417	-2	—	......
Cathodes				
Cash	400-.5	-2	404-.5	-1.75
3 months	412-.0	-1.5	411-.5	-1.0
Settlem't	405.5	-2	—	......
U.S. Smt.	—	......	52.75-53	......

TIN—Little changed. A further rise in the Eastern market coupled with keen buying of forward metal in early trading pushed prices higher. A modest reaction was seen during the afternoon. Turnover, 585 tons.

Morning: cash £1.416, 14, three months £1.416, 15, 13, 14. Kerb: three months £1.414. Afternoon: cash £1.413, early-Jan. £1.414. Kerb: cash and mid-Jan. £1.415, three months £1.413, 14.

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —†
	£	£	£	£
Cash	1414.5	+3	1412.4	+.5
3 months	1414.5	+1	1413.4	......
S'ment	1415	+5	—	......
Straits E.	1436.61	+4.61	—	......
New York	—		*169.25	+1p

LEAD—Down again. Influential selling from one quarter, possibly against scrap intake, found buyers reluctant. The rise in warehouse stocks was much in line with expectations. Turnover, 950 tons.

Morning: cash £92.75, mid-Jan. £94, three months £95, £94.25. Afternoon: cash £92.55, three months £94. Kerb: three months £93.75.

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —†
	£	£	£	£
Cash	92.5-.75	-1.5	92.25-.5	-1.5
3 months	94.25-.5	-1.25	94-.25	-1.25
S'ment	92.75	-1.5	—	......
N.Y. Spot	—	......	*14-14½	......

ZINC—Easier. The fall in warehouse stocks was in line with earlier forecasts and thus lent little assistance to the market which was also devoid of last week's presumed producer support. Turnover, 1,175 tons.

Morning: late-Jan. £139.5, three months £139.5. Kerb: late-Jan. £139. Afternoon: cash £140.5, late-Jan. £139, three months £138.75, 39. Kerb: three months £139.

ZINC	a.m. Official	+ or —	p.m. Unofficial	+ or —†
	£		£	£
Cash	140.5-1	-1.125	140.5-.75	-.375
3 months	139.25-.5	......	139-.25	-.25
S'ment	141	-1	—	......
E St. Louis	—	......	17.00	......

* Cents per lb. † On previous unofficial close.

SILVER

Silver was fixed 0.5p lower in the London bullion market for spot delivery at 51.9p (129.30 U.S. cents). The three-month and six-month premiums also lost 0.5p. In quiet trading spot ended at about the fixing.

SILVER (per troy oz.)	Bullion fixing (selling) prices	+ or —	LME close	+ or —
Spot	51.9p	-0.5	51.75p	-0.56
3 months	52.7p	-0.5	52.55p	-0.4
6 months	55.5p	-0.5	—	......
7 months	—	......	55.5p	-0.4
12 months	55.3p	-0.5	—	......

LME—Turnover 139 (81) lots of 10,000 ozs. Morning: cash 51.9p, 52p, three months 52.6p, 52.7p. Afternoon: three months 52.6p, 52.5p. Kerb: three months 52.6p.

COCONUT OIL

Quiet and unraded, reports G. W. Joynson. Close: Nov., Jan., March, May, July, Sept., Nov. £109-£119 (same). Turnover 0 (0) lots of 20 tons each. Price basis ex-tank Rotterdam.

COCOA

Self-trading again inflated the turnover but otherwise conditions were quietly steady, slightly under Friday's closing levels, reports Gill and Duffus.

COCOA No. 2 Contract	Yesterday's Close	+ or —	Business Done
December	196.0-7.0	-1.0	194.0-6.0
March	202.5-3.0	-1.0	200.0-3.0
May	205.5-6.0	-1.5	203.5-5.5
July	209.0-9.5	-1.5	207.0-9.0
September	212.5-3.0	-1.5	210.5-2.5
December	218.0-8.5	-1.5	215.0-8.0
March	225.0-3.5	-2.0	—

Sales: 3,924 (5,571) lots of 5 tons each.

COFFEE

After a lethargic morning session the market underwent a sluggish afternoon's trading with minimal price movements.

COFFEE	Yesterday's Close	+ or —	Business Done
	£ per ton		
November	361.0-1.5	+1.5	360.0-1.5
January	359.0-9.5	+0.5	359.0-9.5
March	356.0-6.5	+0.5	356.0-6.5
May	353.5-4.0	+0.5	355.5-4.0
July	351.0-1.5	+0.5	351.0
September	348.5-9.0	+0.5	349.0
November	345.0-7.0	+0.75	345.5

Sales: 122 (223) lots of 5 tons each.

Latest published ICO indicator prices U.S. cents per pound. Colombian Mild Arabicas 48.25 (same). Other Milds 43.00 (same). Unwashed Arabicas 42.50 (same). Robustas 41.60 (41.63).

FREIGHTS

DRY CARGO—Moderate business developed during the week-end recess including grain from the U.S. Gulf to Holland at $4.50 f.i.o. and from the U.S. North Pacific to India at $4.43 free discharge both for Nov. There were reports of a 30,000-ton vessel being fixed for grain from the U.S. Gulf to Holland at $4 f.i.o. for Nov. A wheat cargo from the U.S. North Pacific to Acajutal paid $6.58 f.d. for Nov.-Dec. Indian brokers fixed a pig-iron cargo from East India to Japan at $4.15 f.i.o. for Nov. and accepted a vessel for a similar cargo from East India to Jurong at $5.60 f.i.o., subject approval. A vessel was also accepted, subject approval, for phosphate rock from Casablanca to India at $3.12½ f.i.o.

OIL TANKERS—Inactive because of European holidays. Over the week-end, however, Texaco took a 71,000-tonner for four months' timecharter at $U.S.2.48 per ton per month while Turkish charterers arranged two Japanese relets—115,000 tons and 83,000 tons—from Persian Gulf to Turkey, on November 15, at Worldscale 65.

RUBBER

UNCHANGED at the opening, with little interest throughout the day and closing very quiet. Lewis and Peat reported a godown price of 94.50 Malayan cents a kilo (buyer, November).

Contract	Previous Day's Business	12.45p.m. Official prices	Closing buyers' prices	Rise or fall
C.I.F.	p	p	p	p
Nov.	not avail.	12.75-13.0	12.7	-0.05
Dec.	not avail.	12.8-13.1	12.8	-0.05
Jan.	not avail.	13.0-.0	13.0	-0.5
Landed				
Spot	—	13.5-14.2	15.6	+0.1
Dec	—	14.15-15.1	14.1	-0.05
Jan	—	14.45-.65	14.4	-0.05
Feb.	—	14.7-.8	14.65	-0.05
Jan.-Mar.	15.0	14.7-.8	14.65	-0.05
Apr.-Jne.	15.00	15.5-.6	15.45	-0.1
July-Sept	—	16.1-.2	16.05	-0.1
Oct.-Dec.	15.8	16.7-.8	16.65	-0.1
Jan.-Mar.	—	17.6-.5	17.18	-0.05
Apr.-Jne.	—	17.5-.7	17.0	
July-Sept	—	17.8-18.0	17.8	
Oct.-Dec.	—	18.1-.3	18.1	
Jan.-Mar.	—	18.3-.5	18.3	

* Nominal.

Malayan thin crepe Nov. 15.3* (seller). Ceylon thick crepe Nov. 17.7 (seller).

SOYABEAN OIL

Quiet and featureless, reports G. W. Joynson.

Soyabean Oil	Yesterday's Close	+ or —	Business Done
	£'s a metric ton		
November	105.0-17.0	......	—
January	105.5-13.0	......	107.0
March	104.5-12.0	......	106.0
May	103.5-11.5	......	—
July	102.8-10.5	......	—
September	101.5-10.5	......	—
November	100.5-9.5	......	—

Turnover 2 (0) lots of 20 metric tons each. Price basis ex-tank Rotterdam.

SUGAR

LONDON DAILY PRICE—Unchanged at £44.80 a ton c.i.f. for Nov. shipment.

Prices showed little change initially but increased after the announcement that the LDP was unchanged, reports C. Czarnikow. Buyers found only small selling interest and by mid-day gains of up to 35 points had been recorded. Buyers were unwilling to chase the selling any further, however, and prices stayed in a very narrow range in the afternoon with good demand for December the main feature.

Sugar Pref. Comm. Con.	Yesterday's Close	Previous Day's Close	Business Done
	£ per ton		
Dec	47.00-.05	46.90-.95	46.80-47.05
Mar.	47.60-.75	47.45-.50	47.40-.75
May	47.85-48.00	47.75-.80	47.85-48.10
Aug.	47.90-.95	47.70-.75	47.65-48.00
Oct.	47.50-.55	47.25-.55	47.25-.55
Dec	47.55-.40	47.20-.30	47.40
Mar.	47.40-.45	47.20-.25	

Sales: 1,119 (1,002) lots of 50 tons each.

Tate and Lyle ex-refinery prices for granulated in 1-cwt paper sacks were £4.41 (same) for home trade and £51.50 (same) per ton for export.

GRAINS

THE BALTIC—All sections of the imported grains market ruled dull with prices generally showing little change.

Wheat: Canadian Western Red Spring No. 1 14 per cent. protein Nov. transhipment £31.40 East Coast. U.S. Red Winter No. 2 Jan. £28.90 East Coast. U.S. Hard Winter No. 2 13½ per cent. Nov. transhipment £29.00 seller East Coast. Australian f.a.q. Dec.-Jan. transhipment £27.00 seller free out Tilbury.

Maize: No. 3 Yellow American Nov. £23.00, Dec. £23.00, Jan. £23.45, Feb. £23.50 seller Tilbury.

MARK LANE—Average sellers' quotations per long ton for prompt delivery: Wheat: Soft milling £24.50-£25.50; Semi-hard £24.50-£25.50; Hard £25.00-£26.00; Feed £24.55-£25.25. Barley: Malting £25.00-£30.00; Feed £24.00-£24.50. Oats: Milling £21.50-£22.00; Feed £20.00-£21.00.

LONDON HOME GROWN FUTURES—Wheat, steady. Close: Nov. 23.500, Jan. 24.375, March 25.075, May 25.850. Business: Nov. 23.500, Jan. 24.375, March 25.075. Barley, steady. Close: Nov. 22.835, Jan. 23.725, March 24.625, May 25.300. Business: Nov. 22.950-22.900, Jan. 23.850-23.775, March 24.650-24.625, May 25.425-25.325.

HGCA—Average ex-farm spot prices for week ending October 29. Soft milling wheat—SE £23.00, SW £23.05, East £22.60, E. Midlands £22.75, W. Midlands £22.95, NE £23.70, NW £23.30, Scotland £23.05, U.K. £22.98. Feeding barley—SE £22.15, SW £23.10, East £22.05, E. Midlands £21.90, W. Midlands £22.35, NE £21.65, NW £22.35, Scotland £20.95, U.K. £22.10.

Average ex-farm forward prices for week ending November 1. Soft milling wheat. January delivery—S.E. £24.45, S.W. £23.80, East £23.35, E. Midlands £22.80, W. Midlands £23.70, N.E. £24.00, N.W. £24.15, Scotland £25.30, U.K. £23.90. February delivery—SE £24.18, East £23.00, E. Midlands £23.95, N.E. £23.55, N.W. £24.00, Scotland £23.90, U.K. £24.05. Feeding barley. January delivery—S.E. £22.60, S.W. £23.70, East £22.80, E. Midlands £22.65, W. Midlands £22.35, N.E. £22.25, N.W. £23.50, Scotland £22.60, U.K. £23.40. February delivery—S.E. £23.45, S.W. £23.20, East £23.00, E. Midlands £23.15, W. Midlands £23.05, N.E. £23.50, Scotland £22.65, U.K. £23.20.

Location average ex-farm spot prices. Soft milling wheat—Grantham £22.80. Feeding barley—Grantham £21.75, Norwich £22.00.

SUNFLOWER OIL

Unchanged, reports G. W. Joynson.

Sunflower Oil	Yesterday's Close	+ or —	Business Done
	£'s a metric ton		
November	147.0-55.0	......	—
January	146.0-54.0	......	—
March	145.0-55.0	......	—
May	144.0-54.0	......	—
July	144.0-55.0	......	—
September	144.0-54.0	......	—
November	143.0-55.0	......	—

Turnover 0 (0) lots of 20 metric tons each. Price basis ex-tank Rotterdam.

WOOL FUTURES

MERINOS—Market neglected, reports Bache.

(New pence per kilo)

Dry-combed wooltops	Yesterday's Close	+ or —	Business Done
December	79.0-80.0	-0.5	—
March	80.0-0.50	+0.75	—
May	80.0-1.0	+1.0	—
July	80.5-1.5	+0.5	—
October	81.0-2.0	+0.4	—
December	81.8-2.0	+0.8	—
March	81.8-3.5	+0.55	—
May	82.0-4.0	......	—

Turnover 0 (5) lots of 2,250 kilos.

Greasy wool	Yesterday's Close	+ or —	Business Done
December	56.0-61.0	......	—
March	57.6-8.9	+1.1	—
May	58.5-60.0	+1.0	—
July	58.5-60.0	+1.0	—
October	58.5-1.0	+1.0	—
December	58.5-1.0	+0.5	—
March	61.0-2.0	+1.0	—
May	61.0-2.0	......	—

Turnover 0 (0) lots of 5,000 kilos IWTO clear wool content ex-Flushing.

SYDNEY—Steady. Close: Dec. 138.9-138.3, March 142.0-142.2, May 142.6-142.8, July 143.6-143.8, Oct. 143.3-143.3, Dec. 143.6-143.8, March 143.8-144.0, May 144.0-145.0.

*

COTTON—Liverpool. Spot and shipment sales amounted to 727 metric tons reports F. W. Tattersall. Spinners showed more interest in acquiring further supplies chiefly from Middle Eastern and African sources. Limited dealings in U.S. qualities were reported with minor support in Latin American growths.

JUTE

DUNDEE—Firm with prices tending dearer. Values c.i.f. U.K. for Nov.-Dec. shipment: PWB £156, PWC £147.50, PWD £138.50. Tossa: PTB £164, PTC £154, PTD £143. Calcutta goods steady. Quotations c. and f. U.K. for Nov. shipment: 10-ounce 40-inch £7.21, 7½-ounce £5.52 per 100 yards; Dec. £7.18 and £5.48; Jan.-Mar. £7.09 and £5.47. "B" twills £18.45, £18.59 and £18.67 for the respective shipment periods. Yarns and cloths firm.

LONDON—Quiet. PWC grade Nov.-Dec. £145.00 nom., PWD grade Nov.-Dec. £137.50 nom. A long ton.

CALCUTTA—Quiet. Indian spot Rs.360 value. Dundee Daisee spot Rs.335 value. A bale of 400 lbs.

MEAT/VEGETABLES

SMITHFIELD—Beef: Scottish killed sides 17.9p to 19.6p. English hindquarters, heavy 18.0p to 19.0p. Ulster hindquarters 19.2p to 20.9p, forequarters 14.6p to 15.0p. Eire hindquarters 18.0p to 20.0p, forequarters 13.8p to 15.0p. Argentine chilled boneless cuts: strip loins 40.0p to 43.0p, rumps 30.0p to 35.0p, top sides 23.3p to 29.9p, silversides 26.0p to 37.0p, thicks 22.0p to 25.0p.

Lamb: English medium 11.7p to 16.7p, heavy 10.0p to 12.5p. Scottish medium 11.7p to 15.0p, heavy 10.0p to 12.5p, hill 11.7p to 13.9p. Eire 10.0p to 12.5p, imported frozen: N.Z. D's 14.5p to 15.0p, 2's 13.2p to 13.5p, S's 11.9p to 12.5p, YLs 12.3p to 13.0p, YMs 12.0p to 12.3p.

Pork: English, under 100 lbs 10.0p to 16.3p, 100-120 lbs 10.8p to 15.8p, 120-160 lbs 10.8p to 13.3p, 160-180 lbs 10.5p to 11.5p, 180 lbs and over 9.8p to 10.8, Eire, all weights 11.5p to 12.9p.

Meat Commission average fatstock prices at representative markets yesterday: U.K.—cattle £11.64 per live cwt (+0.03 on previous week), sheep 15.8p per pound edcw (same), pigs £2.03 per score liveweight (-0.02). England and Wales—cattle numbers up 4.5 per cent. average £11.66 (+0.19), sheep numbers down 3.9 per cent. average 16.1p (-0.1), pig numbers up 0.9 per cent. average £2.03 (-0.02). Week ended Oct. 30—U.K. cattle £11.50 (+0.12), sheep 15.7p (-0.2), pigs £2.02 (+0.03).

COVENT GARDEN—Imported produce: Grapefruit—Jamaican: 64 £1.80, 56 £2.00, 40/48 £2.50, 27 £2.40. Jaffa: 64 £3.05, 73 £2.45, 88 £2.05, 100 £2.05. Dominican: 75 £2.00, 40/48 £2.00, 63 £1.50. Honduras: 32 £1.50, 35 £1.50, 40/48 £1.50. Cyprus: 64 £2.00, 56 £2.50, 48 £2.60, 40 £2.60. Oranges—Brazilian: £1.80-£1.90. South African: Valencia Lates £1.80-£2.20. Australian: £2.95-£3.20. Uruguayan: £1.60-£2.00. Satsumas—Spanish: approx. 21 lb 144 £2.30, 168 £2.00, 180 £1.90, 210 £1.90. Melons—Israeli: Ogen £2.50-£3.00; Spanish: yellow £0.00, green £0.70. Grapes—Belgian: per pound Royal £0.17-£0.20; Spanish: Almeria 11 lb £0.55-£0.65. Black £0.70; Rumanian: £0.85-£0.70. Lemons—Italian: 100/150 £1.90-£2.00; South African: £1.90-£2.40; Turkish: £1.40-£1.50; Cypriot: £2.00-£2.30. Tomatoes—Spanish: £0.90-£1.00; Rumanian: £1.00. Canary: £0.90-£1.00. Onions—Spanish: £1.00-£1.10; Polish: £0.80; Hungarian: £0.75. Capsicums—Dutch: £0.15; French: £0.10. Chicory—Belgian: 11 lb £1.00-£1.10. Walnuts—French: Grenoble, pockets £2.00; Californian: 50 lb £8.50. Dates—Algerian: per box £0.15-£0.17. Pomegranates—Spanish: per ½-box 30 £0.90, 40/50 £0.95, 60 £0.85; per case 60 £1.60, 80 £1.90, 100 £1.80. Chestnuts—French: per 10 kilos £1.00; Italian: £1.50-£2.00; Spanish: 5 kilos P's £0.50, M's £0.70, G's £1.00. Cucumbers—Canary: £1.00-£1.20.

English produce: Lettuces—Round 12's £0.50. Cabbages—nets £0.30-£0.35. Potatoes—£0.55-£0.60. Mushrooms—per pound £0.20-£0.22½. Cucumbers—per tray 12/18's £1.20-£1.50. Cauliflowers—12's £0.50-£0.60. Celery—Washed prepack 20's £1.00. Dirty £0.45-£0.50. Carrots—28-lb bag £0.15-£0.25. Beetroots—per bag £0.20. Courgettes—per pound £0.20. Swedes—28 lb £0.20. Sprouts—28 lb £0.30-£0.50. Onions—Ware £0.40-£0.50, Picklers 56 lb £1.00. Apples—28/30 lb Derby £0.50, 30 lb Worcester £0.70-£1.00, Laxton Superb £1.20-£1.50, Bramleys £0.70-£1.00, Cox's £0.70-£2.10, Russets £1.20-£1.50. Pears—Conference £0.05; Comice per pound £0.05-£0.06. Parsnips—28 lb £0.30-£0.35.

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COPRA — Philippines-Indonesia: Nov. $166, Dec. $163, Jan. $171, Feb. $173 resellers. Jan. $171-170, Feb. $172-171½ paid.

*

LONDON TEA SALE—24,779 packages. There was a fairly strong general demand for North Indian teas at firm rates, with best liquoring kinds often dearer. African teas met with a more limited demand and prices were often easier.

*

GRIMSBY FISH—Moderate supply and fair demand. Prices per stone: Shelf cod £1.05-£1.60. Shelf haddock £1.30, medium plaice £1.50-£1.70, coalfish £1, catfish £1.

PRICE CHANGES

Prices per ton unless otherwise stated.

	Nov. 1 1971	+ or —	Month ago
Metals			
Aluminium (d) (x)	£257.50	......	£257.2
Copper			
Cash Wire Bars (x)	£415.75	-1.5	£401.25
3 months do. do. (x)	£422.25	-1.5	£409.75
Cash Cathodes (x)	£404.25	-1.75	£391
3 months do. do.	£411.25	-1.5	£398.75
Gold ... Troy ozs.	$42.20	-0.20	$42.50
Lead Cash (x)	£92.375	-1.5	£90
3 months (x)	£94.125	-1.25	£92.625
Nickel (x)	£1,246.5	......	£1,246.5
Platinum (b) troy oz.	£48.50	-1.50	£50
Free market	£42¼-45	-1	£44¼-47
Quicksilver (76lbs.)	$212	......	$212
Silver Troy oz.	51.9p	-0.5	55.4p
3 months	52.7p	-0.5	55.6p
Tin Cash (x)	£1,415	+.5	£1,405.5
3 months (x)	£1,415.5	......	£1,408.6
Wolfram 22.04lbcif.	$20-21½	......	$19½-20¼
Zinc Cash (x)	£140.625	-.375	£125.75
3 months (x)	£139.125	-.25	£127.875
Producers (x)	£150	......	£150
Oils			
Coconut Malayan	‡	......	£158
Groundnut			
6%	†£176(x)	......	£175
Linseed Crude	†£105(x)	......	£101
Palm, Malayan	†£105(x)	......	£105
Soyabean (u)	†$325(u)	+4	$287
Seeds			
Copra Philipp. ton	†$198(x)	......	$180
Gr'nuts, Niger'n.	†£94.50	-1	£94.50
Linseed Can. No. 1	†£48.00	......	£44.55
Grains			
Barley			
Can No. 2	‡	......	£30
Home Futures	£23.725	......	£23.10
Maize			
No. 5 Yellow Am.	£25	......	£25
S.A. Yellow Flint	‡	......	‡
Wheat			
No. 1 Red Spring.	£31.40 (t)	+0.10	£30.70
No. 2 Hard Winter	£29	......	£28.70
Australian	£27	......	£27
English Milling	£24¼.6	+0.25	£24¼-5¼
Cocoa Shipm't (n)	£189.50	-2.50	£201
futures Mar.	£202.75	-1	£205.75
Coffee Shipment (c)	38.00	......	
futures Jan.	£359.20	+0.50	£365.25
Cotton Liverpool cif index cents per lb.	56.55	......	56.10
Jute LJA PWC (2)	*£145(x)	......	£146.50
Rubber Kilo	13.8p	+0.1	14.0p
Sisal EA 3L (x)	£58	......	£65
Sugar	£44.80	......	£48.50
Wooltops 64s Kilo	88p	......	85p
Cloves (Madagascar)	‡	......	£1,560
Pepper White ... ton	†£540(x)	......	£470
" Black ... ton	†£375(y)	......	£367.5

* Nominal. † Seller. ‡ Unquoted. § Unofficial close. ✠ Indicative price. a Canadian delivered U.K. b U.K. and Commonwealth refined. c Uganda Robusta standard grade indicative price f.o.b. Mombasa, U.S. cents a lb. d Pakistan white "C." w Ex-warehouse. z C.i.f. U.K. u Metric tons. q Oct.-Nov. o Nov.-Dec. z Jan.-Feb. n Dec. h Dec.-Jan. v Feb.-March. t Nov. y March-April. r April-May.

INDICES

FINANCIAL TIMES

Nov. 1	Oct. 29	Month ago	Year ago
78.27	78.17	77.75	88.38

(Base, July 1, 1952=100)

REUTER'S

Nov. 1	Oct. 29	Month ago	Year ago
507.1	507.7	502.8	557.0

(Base, Sept. 18, 1931=100)

DOW JONES

Dow Jones	Nov. 1	Oct. 29	Month ago	Year ago
Spot	138.85	138.94	138.04	146.36
Futures	141.07	141.50	140.45	146.60

(Average 1924-25-26=100)

MOODY'S

Moody's	Nov. 1	Oct. 29	Month ago	Year ago
Sple Commd'y	566.0	565.1	565.0	404.3

(Dec. 31, 1931=100)

U.S. Markets

NEW YORK, Nov. 1.

GRAINS led by soyabeans fell off sharply on the Senate's vote to terminate foreign aid. With the expected [illegible]

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American News

Soviet Union offers Cuba continued backing against U.S.

MOSCOW, Nov. 1.

THE Soviet Union assured Cuba of its backing against the U.S. in a joint communique issued here to-day, apparently to allay any concern in Havana over President Nixon'a forthcoming visit to Moscow. The document was publicised one day after Soviet Premier Aleksci Kosygin left Cuba at the end of a four-day visit.

It said Moscow had reaffirmed its readiness to continue supporting Cuba "in the struggle to strengthen Socialist gains and against provocations by the forces of imperialism." Referring to Mr. Kosygin's talks with Prime Minister Fidel Castro and President Osvaldo Dorticos, it added that the Soviet side hsd again condemned "the U.S. imperialist blockade against Cuba and various U.S.-encouraged bostila actions."

The Soviet Union may have thonght Cuba needed reassuring on Soviet policy in the light of the U.S. President's visit here next year. Whatever the aims of Mr. Kosygin's visit, the communique suggested it had been a majnr success. "The Soviet and Cuban sides expressed full unanimity in oppraising the present international situation and social development throughout the world," it said.

On Latin American issues, the statement contained no reference to violent revolution, for long an important psrt of Cuba's recipe for Communism in Latin America. But both countriea expressed solidarity with Marxist President Salvador Allende's Government in Chile—which came to power through victory at the polls—and "structural changes being carried out by the Govarnment of Peru."

Moscow and Havana were also aatisfied with what the communique termed the restorstion of China's legal rigbts at the UN—the first time Moscow's opinion bas been expressed in an official communique although it has beeo made clear in the Soviet press. But the communique, as summarised by the Soviet news agency Tass, msde no reference to a new Soviet aid programmc for Cuba which informed sources in Havana said Mr. Kosygin had agreed on while there. Reuter

Tito shops for U.S. military hardware

PALM SPRINGS, Nov. 1.

RESIDENT Tito is shopping for .S. military and commercial ircraft on his trip to tha Western U.S., a senior adviser to he Yugoslav leader disclosed ere. He said Yugoslavia is iterested in buying the McDonell-Douglas F-4 Skyhawk, a 1m. high-performance fighter-tomber already sold tn Australia, New Zealand, Israel and Argenina.

The Yugoslsv party is also nterested in seven or eight of ouglas'a DC-9 commercial jets, hicb cost $4.5m. each, said the ugoslav official, who asked not be named.

McDonnell-Douglas officials onfirmed to-day that they were aving discussions about the C-9 with two Yugoslav commercial aviation firms, Jat and nex-Adria. President Tito will our the Douglas Long Beach lant to-morrow. The Yugoslav fficial said the aircraft shopping was the real purpose of President Tito's trip to tha Western .S. and he understood that be ould meet officials from McDonnell-Douglas's St. Louis plant hen he stops in Des Moines, owa, on Tuesday.

enter

Slow fourth quarter ahead for steel

By Nicholas Colchester

NEW YORK, Nov. 1.

HE U.S. steel companies now nd themselves facing an unxpectedly slow fourth quarter hat will round off a very lean ear.

The size of steel orders for ecember, placed by the large otor car manufacturers has een reported to be disappointng. They tend to support earlier recasts that deliveries in the urth quarter might not total ore than 17m. tons. This would ompare with the level of 17.7m. ns shipped in the third quarter, hich was reckoned to be a isastrously low figure.

The big buying of the current ear took place in the spring uarter when the steel users ere bnilding up their inven-ries in order to hedge against strike that might have accomanied the three-year wage negoations in mid-summer. In that uarter the U.S. companies hipped 28m. tons of steel.

The expectation of another uarter of low sales seems to hode l for the industry's profits. lready.

Wage freeze restores stability

By Nicholas Colchester

NEW YORK, Nov. 1.

THE WAGE and price freeze imposed by President Nixon bas resultad in October being the most stable month for industrial wholesale prices since the Second World War, according to a survey carried out by the National Association of Purchasing Management.

The report, which has not yet been published but which has been given Press coverage, disclosed that 96 per cent. of Association's nationwide panel of price reporters had said last week that commodity prices were the ssme as they had beeo a month ago. A further 2 per cant. said that prices were actually lower and the remainder cited some increases. The chairman of the Association's business survey committee, Mr. E. F. Andrewa, noted that this was the bighest level of price stability achieved in the post-war period, exceeding that in the Korean War price freeze.

The Association's report is regarded as significant because it is based on prices that purchasers of major companies actually pay for their commodities. The Government Index, put out by the Department of Labour statistics, tends to be based on list prices on which there may be important discounts.

Ottawa considers boost to surcharge support

BY OUR OWN CORRESPONDENT

TORONTO, Nov. 1.

THE Canadian Government is considering a $100m. increase in its $80m. emergency support programme for Canadian industry hurt by the recent U.S. trade protection measures. Mr. Jean-Lnc Pepin, Minister of Industry, Trade and Commerce, has hinted that he may ask Cabinet approval to use the $100m. fnnd set up under the name of General Adjustment Assistance Programme (GAAP) to belp industry adjust to changes in trading patterns resnlting from the Kennedy Round tariff reductions, most of which have been acted npon hy the Canadian Government.

Existing terms of the GAAP fnnd allow insured loans and direct loans to belp manufacturers adjust and compete more effectively because of the Kennedy Round. Tha fund also provides for payment of half the cost of consultant fees related to lodustry restructuring. Most of the $100m. is still available, since aid has been mainly in the form of loan insurance and the fund has not been depleted by direct loans so far.

More than 1,000 firms are expected to apply for aid under tha $80m. Employment Support Act, which was set up as a direct result of the U.S. 10 per cent. import surchsrge. If most of the applicants qualify, tha fund could be exhausted rapidly

Argentine removes import ban

By Our Own Correspondent

BUENOS AIRES, Nov. 1.

THE Government's emergency "ban" on imports, begun on September 13, ended last night. As from to-day private sector imports are freed. Government imports must continue to be authorised by a permit prior to each purchase.

The so-called total ban on imports, prompted by the country's adverse balance of payments, from the beginning was considersbly less than that.

In freeing imports for the private sector, the Government has added an additional 15 per cent. surcharge on these imports.

Venezuela foresees small rise in crude prices

BY OUR OWN CORRESPONDENT

CARACAS, Nov. 1.

THE new prices of oil to he anhounced in December will "not be mnch higher" than current levels, the Mines Minister, Dr. Hugo Perez La Salvia has announced.

The Government which last year was empowered by Congress to set export oil prices unilaterally will announce on December 22, the new price levels that will he in effect as of January 1. The oil companies operating in the country have been given a 30-day period in which to make observations and suggestions to the Government.

The Minister told reporters—in reference to the record $3,200m. budget under scrutiny in Congress—that the new price levels will take into account inflationary trends hut that "they will not he much higher than current prices because a big hike was already established this year." He reiterated that the budget under congressional consideration was estimated on a 0.06 per cent. price hike and an increase of 2 per cent. in production.

The Minister also said that production is recuperating and will reach a normal peak at the end of the year with the year's total dropping slightly below last year's output.

Spain to insist on aid pledged

BY OUR OWN CORRESPONDENT

MADRID, Nov. 1.

PAIN will insist on the fulfilent by the U.S. Government of e commitments made under tha ew U.S.-Spanish defence and iendship agreements signed last ear.

This is the first nnofficial eaction to the news that the .S. Senate had killed the 23-ear-old Foreign Aid Programme nd shut off American defence, conomic and relief assistance o scores of nations around the orld. It is believed that the panish Government will ask for n immediate meeting of the oint U.S.-Spanish committee for discussion of U.S. future policy owards Spain.

Established last year after signing of the new agreement on U.S. air and naval bases in Spain, the committee is supposed to solve problems of military, technical and cultural problems arising within the framework of the signed agreements. Local observers believe that, with an eye on the strategic position of their bases in Spain, the Americans will probably continue the delivery of military hardware.

The Export-Import Bank in Washington will probably also continue the financing, with long-term credits, of purchases made by Spanish private- and State-owned enterprises. But it is feared that the killing of the Foreign Aid Programme will eradicate the about $30m. aid to Spain earmsrked by the U.S. Congress for "special services and purchases" and that aid to Spanish students io the U.S. will also be suspended.

However, in general terma and aside from military aid it is not believed that the killing of the U.S. foreign aid programme will bankrupt Spain. With about $3,000m. worth of foreign reserves tha Spanish economy is strong enough to digest the loss of $30m. and military aid can also be obtained from France and other European countries.

SAN FRANCISCO MAYORAL ELECTION

Return to Barbary Coast days

BY ART GARCIA, CALIFORNIA CORRESPONDENT

SAN FRANCISCANS will vote to-day in a city election witb all the colour, controversy and flamboyance of the city's wild Barbary Coast during the Gold Rush more than a century ago. The Incumbent Mayor, Mr. Joseph Alioto, appears to be the front-runner in his bid for a second term, but he is being challenged hard by Mrs. Dianne Feinstein, first woman president of the San Francisco Board of Supervisors, wife of a neurosurgeon (and mother of a teen-age daughter). Sbould ahe win, Mrs. Feinstein; wbo won ber first election only two years ago, would become the first woman mayor of a major American city. She is a Democrat, as is Mayor Alioto, running for the top job in s city that bas seen only three Democratic mayors in 60 years. A close third in the campaigning at present is Mr. Harold Dobbs, Republican former Supervisor and s familiar candidate for Mayor. Mr. Dobbs, 52, a lawyer and owner of a restaurant chain, finisbed second in two previous runs for the top seat in City Hall.

Showy

Tbe colour and controversy in this election come more from the candidates than any of the issues. The list is headed by the showy Mr. Alioto, who is the son of a Sicilian immigrant and an attorney wbo built the nation's largest civil anti-trust practice. The Mayor is a former U.S. Department of Justice attorney who became a millionaire in his private practice. He dropped his bid for the Democratic nomination for California Governor in 1969 in the glare of publicity from articles in a national magazine that accused him of links with the Mafia. A $12.5m. libel suit against the magazines ended in a hung jury and a retrial is set for next month.

The balding Mayor's troubles were compounded this year wben a federal grand jury in Seattle indicted him on nine counts of bribery, conspiracy and mail fraud stemming from an alleged splitting of $2.3m. in fees with Washington state officials in the mid-1960s. That criminal trial will not begin until later this year but a civil action hy the State of Washington seeking a refund of the $2.3m. from Mr. Alioto is under way in Vancouver, Washington, where he has managed to delay his appearance on the stand until after to-day's election. Mr. Alioto, who was chosen to nominate Mr. Hubert Humphrey at the 1968 Democratic National Convention and is rumoured to be nnder consideration for the Vice Presidential spot, showad characteristic aggression to imply that his indictment in Seattle was part of a Republican plot to remove him as a Democratic contender for high office.

Hitting hard

Mrs. Feinstein, 38, is quiet and soft spoken but possesses strong views and an ability to get them across. An underdog now, she beat the odds two years ago in leading 17 candidates running for the Board of Superviaors, San Francisco's City council. A history and political science graduate of Stanford University, she has served on stata and city commissions, including some to which she was appointed by Mr. Alioto, who backed her bid for supervisor.

While svoiding discussion of Mr. Alioto's legal problems, Mrs. Feinstein is hitting hard on local issues and accuses the Mayor of shirking civic responsibility in opposing the city's court-ordered school busing to correct racial imbalances. Sbe promises an era of "new politics" and saya her goals are crime control, new revenue sources, civil sarvice reform, better transportatioo and consumer protection. Mrs. Feinstein has challenged the Mayor to a "head-on debate, any time, any place" and urges him to "come ont and fight like a man." But Mr. Alioto has replied that it would he physically impossible for him to "go around the city debating each candidate individually."

He has 12 other platform opponents, including Mr. Scott Newhall, former executive editor of the San Francisco Chronicle and a newspaperman for 36 years. He retired in 1969 and spent six months and much of his personal fortune buying and sailing the century-old sidewheel steam tugboat Eppleton Hall across the Atlantic, through the Panama Canal and into San Francisco Bay. He has made a series of sensational charges, inclnding the claim that the Mayor and Mrs. Feinstein tried to buy him out of the race with attractive job offers. Mr. Newhall as Mayor would do away with the city's riot-trained police Tactical Squad and the Board of Permit Appeals, which he likens in power to "the petty but absolute rulers of Italy's early Renaissance city-states."

Also on the ballot as mayoral candidates are an ex-convict jobless carpenter on welfare relief; a 31-year-old stockbroker; a newly enfranchised 18-year-old college student; a lawyer running as the Platypus candidate and who promises to create Utopia in San Francisco; a member of the Trotskyite Socialist Workers Party; an unaffiliated citizen who promises to bring an end to "racism and oppression"; and an actor-song writer wbose campaign slogan is, "I'll give you anything you want."

Proposition T

Some stir was caused in September by the Police Chief, Mr. Al Nelder, wbo resigned because he felt his authority was undermined by subordinates who ara openly—and illegally—campaigning for Mr. Alioto. The 1,800-member Police Officers Association has officially endorsed the Mayor, despite the traditional taboo against civil servants taking part in partisan politics. Mr. Nelder voted for Mr. Harold Dobbs four years ago, and former Police Chief, Mr. Tom Cahill, whom Mr. Alioto fired 19 months ago so he could appoint Mr. Nelder, is a volunteer in the Dobbs camp this year.

Besides the race for Mayor, the most heated subject on tha Tuesday ballot is Proposition T, a plan that would require a special city election for every proposed building of over 72 feet, placing a height limit of six storeys. The measure won a ballot spot through the gathering of a sufficient number of signatures on an initiative petition sponsored by local businessman and environmentalist Mr. Alvin Duskin, 40-year-old head of a $5m.-a-year dress-making company.

Mr. Duskin pays for expensive full-page newspaper ads to win support for his causes, which have includad blocking attempts hy the Texas oilman Mr. Lamar Hunt to develop Alcatraz Island as a tourist attraction and suing the Stata of California in an effort to balt the just-opened California Water Project. Mr. Duskin himself is a candidate for the Board of Snpervisors in Tuesday'a election.

Destructive

Four Soviet architects on a tour of major U.S. cities in September agreed that San Francisco has tno many tall buildings too close together. "Even for auch a large country as the U.S., one New York is enough," they said and Mr. Duskin and his backers agree. Opposing Proposition T, however, are the San Francisco Urban and Planning Renewal Association, the Planning Commission and the Greater Ssn Francisco Chamber of Commerce, which warns, "It will take a miracle to save San Francisco if Alvin Duskin's unholy commandment becomes law."

Planning officials say the Duskin height limit would impair the ability of the city's still incomplete Bay Area Rapid Transit District to sustain itself and would be "destructive of the planning process" while the city'a Controller estimates the six storey limit could add as mucb as $1.44 a year to the property tax rate over the next decade. They urge voters to give the city a chance to implement its Urban Design Plan, a 155-page book made possible by s $180,000 Federal grant that "unlike Propoaition T, does not offer simplistic solutions to highly complex problems." Mayor Alioto opposes Proposition T while most other candidates have avoided commitment.

Export News

IN BRIEF

Sales peak for Dens Metals

A DUNDEE company with less than a dozen employees has won its biggest export order, valued at £128,000, in the U.S. market.

The company—Dens Metals (Dundee)—was formed in 1961 to develop a process for continuous casting of high-quality bronze bushing and bearing materials for home and export markets. Up to now its individual orders have seldom topped the £10,000 mark.

The contract will keep a section of the plant running into 1973. It has been signed with a leading bushing and bearing manufacturer in the Mid-West. The winning of the order in face of the recent U.S. surcharge on imports is attributed to product quality.

Mr. Robert Cunningham, company chairman, said: "It is quite a coup for us and brings additional business to Dundee. In the American market we are up against a lot of expertise in metallurgical processes. Competition is very keen. The latest surcharge on imports makes it even tougher. Our product quality won through, and I anticipate that a continuing association will follow."

Dens Metals is a subsidiary of Malcolm Ogilvie and Co., Dundee, was formed as a group diversification.

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A THIRD order for wall and roof cladding materials and daylighting units for buildings in the Jeddah Port development scheme has been awarded to H. H. Robertson (U.K.) of Ellesmere Port.

It is for Galbestos protected sheet steel and Stypolight translucent glass reinforced fibre daylighting for a new warehouse in the port area. The warehouse will serve the nine deep water berths which give Jeddah extended facilities for cargo traffic and leave the No. 1 berth free to handle the annual influx of 300,000 pilgrims on their way to Mecca.

With two previous orders, Robertson will supply over 55,000 square metres of Galbestos to the project. This includes the roof and wall cladding for the new Pilgrim Hall at berth No. 1, and for seven new transit sheds. The three contracts are worth over £215,000.

TRADE DRIVES

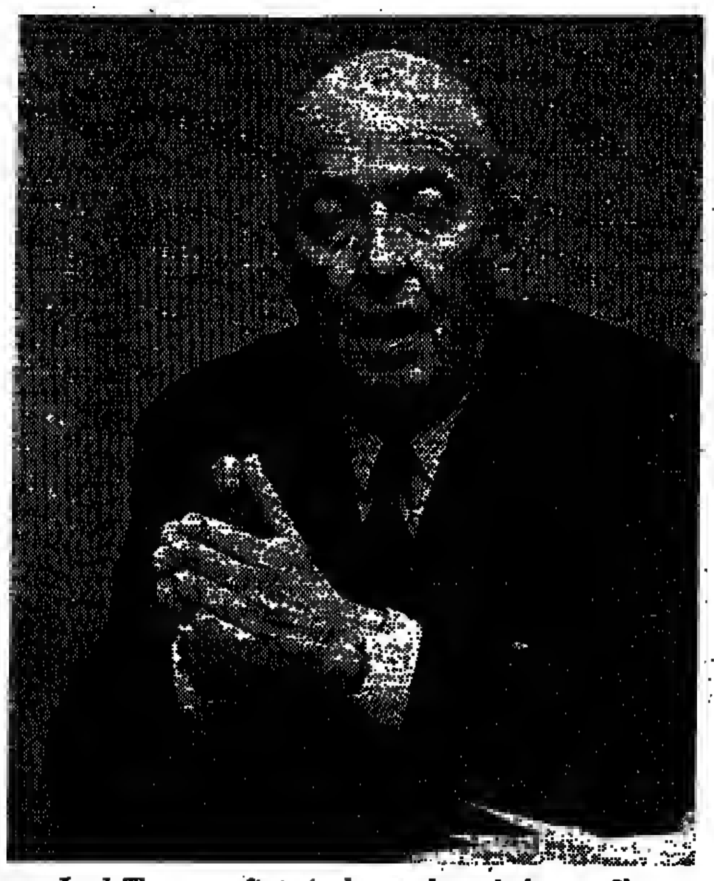
Lord Thorneycroft gets Export Board "hot seat"

BY DAVID CURRY, EXPORTS EDITOR

LORD THORNEYCROFT is to be the chairman of the British Export Board the Government's successor to the British National Export Council, the Department of Trade and Industry has announced. The other members of the Board have not been named but, like Lord Thorneycroft, they will be unpaid. He will serve for a two-year term.

Yesterday the chairman-designate pledged that businessmen would have the executive direction of the Board's activities. Its work would be "to create the right climate in which exporters can operate."

Its initial budget will be about £8m., and total costs, including staffing by some 1,300 civil servants in the DTI export promotion divisions, would be about £13m. a year, Lord Thorneycroft said.



Lord Thorneycroft yesterday—a dynamic low profile.

Advice

He described the bringing of business into an active role in Government as "a very big step indeed." "The Board," he said, "would lean very heavily on existing organisations for advice and support. Its emphasis would be in product areas, and here the experience of groups like BEMA, the NFU and Chambers of Commerce would be invaluable.

"The Board would also support the work of outside bodies with a similar constitution to the Eastern European Trade Council or the Sino-British Trade Council."

It is clear that the new Board will owe virtually nothing to BNEC, despite the fact that Lord Thorneycroft has invited the heads of the BNEC area committees for talks on the "transfer of power." Of the 164 executive branch members of BNEC only 15 will join the Board.

Programme

The DTI has prepared for the Board, which takes over on January 1, a full programme of activities for 1972 including joint ventures and missions. The two major trade drives planned for Denmark and South Germany will go ahead, and the broad range of services to exporters will be continued without a break.

The official definition of the Board's work is to "give broad direction to the execution of export intelligence work, the work on trade fairs and other promotional activities overseas, the schemes for financial support for companies to participate in missions and for inward commercial visits to this country. The Board will thus have much wider executive responsibility than BNEC and will have charge of a considerably larger budget for export promotion work (about £8m. excluding staff costs).

Within this budget the Board will be free to select priorities and to allocate resources to different forms of activity or different areas of the world. The Board will also be able to consider and introduce new techniques.

The Board will have at its disposal the staff of the DTI concerned with export promotion and including some BNEC staff who have transferred with their work. The staff concerned are in the Export Services Division, the Export Planning and Development Division (including Fairs and Promotions Branch), and the Overseas Projects and Technology Division. Fairs and Promotions Branch is also to be responsible for work previously done by the COI in exhibitions and trade fairs. This is a step to further integration. The Board's work overseas will be carried out by the commercial staff of the Foreign and Commonwealth Office in Embassies, High Commissions and Consulates.

The Government decision to replace BNEC with an Export Board was announced in May. It stressed the need to involve businessmen in export promotion work; integrate that work and avoid duplication; and the realisation that the Government would have to bear the major cost of export promotion services.

Lord Thorneycroft is a former President of the Board of Trade and a Chancellor of the Exchequer. He is chairman of Pye of Cambridge, of Pye Holdings, and the Pirelli companies in the U.K.

His appointment is likely to be received enthusiastically. He is associated neither with BNEC nor the chambers of commerce and has established a reputation for being able to manage a "mixed" board during the course of his work on the SITPRO committee on the simplification of export procedures.

See Men and Matters Page 18

Gem of a deal

An order for more than 45 tons of Huntley and Palmers Gem Biscuits, one of the world's smallest biscuits, has been secured from Ghana.

The order, which is worth £17,700, comprises over 62m. Gem biscuits, 600 of which are needed to weigh one pound.

Having your cake and heating it

By David Curry

YESTERDAY morning, 2,000 cubic feet of British cake set out in a specially prepared deep-freeze lorry to travel 4,000 miles to Kuwait.

The consignment represents United Biscuit's biggest cake order from Kuwait (78,000 McVitie's Swiss Rolls), worth £3,600 (F.O.B. price). The task of delivering the goods has been entrusted to Union Cartage Corporation of Brentwood, Essex.

Previously the only method of transport considered feasible was by ship—not only was this expensive but the long journey time restricted the possibilities to long life products like fruit cake or biscuits. By land, the journey, although passing through eight countries, will only take 14 days, compared with 28 days by ship.

The temperature in the trailer will be held at −5° to −10°F which will ensure that the cake will arrive in perfectly good condition.

The transport side of the operation should pave the way to a big Gulf area penetration for McVitie's cakes, the company hopes. Biscuit sales in Kuwait have already shown a 300 per cent. growth for United Biscuit this year and the McVitie's brand name is now becoming established, a fact which will further ease the company's penetration of the cake market, it believes.

McVitie's agent in Kuwait is hoping that if all goes well with this first consignment it will develop into a regular delivery service, just like the normal cake-van delivery which provides daily distribution in the U.K. UB believes this will make it the longest range cake-van service in the world.

The recent merger of McVitie's and Cadbury's cake interests only applies to the U.K. market. Exports, while jointly manufactured, are still handled, under separate brand names, by each company's respective overseas division.

£2m. slip in wool textile overseas sales

A FALL of £2m. in September is reported in exports from the British Wool textile industry based mainly in the West Riding.

Total export sales of £10.6m. were 16 per cent. less than in September last year.

One of the main reasons for the decline is the increasing popularity of knitwear in North America, particularly for men's garments. Trade with the Common Market countries is holding its own.

Total earnings of the industry from overseas in the first nine months of the year were £98.5m., 12 per cent. less than in the same period last year. A fall of 33 per cent. in cloth exports to North America was recorded.

MEDICAL APPARATUS

Russians may come here for 'Hoverbed' training

FINANCIAL TIMES REPORTER

RUSSIAN medical experts hope to send a team to Britain to purchase newly invented British medical apparatus developed by the National Research Development Corporation.

The device allows human beings to float up to one foot six inches above a surface, without any apparent means of support.

The National Research Development Corporation hopes that Britain will export considerable numbers of the machines which will sell at some £40,000 each.

A £250,000 centre is being built at a London hospital to house the newly developed apparatus.

Skirt

A small Russian team of experts is likely to undergo training at the hospital, Mount Vernon, Middlesex, when the centre is completed next year, says the National Research Development Corporation.

Besides the Russian interest in buying the new machinery interest has also been shown by the Hungarians, Swedes, Persians, Canadians and Americans.

The hover machine made by a British research team headed by a biomedical engineering expert Dr. John T. Scales, took 11 years to develop. It will be invaluable in the treatment of burns, as it will enable patients to be treated "in mid-air" with no part of their body in contact with any surface.

In the treatment of burns, contact with surfaces tends to retard healing, thereby causing or aggravating infections. But with the new invention there is no need for the patient to lie on a bed or operating table. The patient is surrounded at the sides of his body by a "skirt" similar to some extent to that of a hovercraft.

Dr. Scales described floating as being like "lying on a gale." Commenting on the potential of the invention, Dr. Scales stressed that Britain "led the world" with this new development. "It is now up to British industry to invest in the invention and sell it to hospitals throughout the world," he added.

National Research Development Corporation's overall leader of the "hoverbed" project, Mr. Malcolm Wagstaff, said yesterday that it was hoped that it could export at least 30 of the newly invented machines during the next five years.

The licence for manufacturing the apparatus has been given to Howorth Air Conditioning.

Hungarians show strong interest in Dataplex

FINANCIAL TIMES REPORTER

A 33-man trade delegation has completed a five day visit to the U.K. to investigate a new data handling and document preparation terminal marketed by Dataplex, a Croydon-based company formed only eight months ago.

Called the Dataplexer 1000, the new machine was unveiled for the first time in October this year at the Business Efficiency Exhibition where it attracted the interest of a small party from the Hungarian Institute for Organisation and Data Processing.

Headed by Dr. Zsuzsanna Hegedus, wife of the former Prime Minister, this advance party reported back to Budapest and the full delegation arrived in England on October 28—only three weeks later.

Computer

The system which the delegation is considering would link Dataplexer terminals sited in data processing bureaux and institutes all over the country to a central computer. The Dataplexer comprises an input-output typewriter linked to twin magnetic card readers.

In networks such as the proposed Hungarian system, it can "interface" directly with a central processing unit and use its abilities to program information and to respond to instructions transmitted by a computer over telephone lines to achieve considerable reductions in programming, processing and line times compared with alternative systems utilising "non-intelligent" terminals.

The Dataplexer terminal has been designed to operate completely independently of a central computer, as a piece of standard desk-top equipment usable by any competent typist in routine office duties. Applications include the production of personalised standard letters, report writing, and the completion of forms.

The basic Dataplexer model markets for about £3,100—already an order for over 100 machines has been received from the Netherlands.

Polyethylene plant ready

Hungary's first polyethylene plant, equipped by British and Russian companies, has been opened. An extension of the Tisza chemical combine in Eastern Hungary, it will turn out 24,500 tons of polyethylene powder a year, the Hungarian embassy in London claims.

There are two major factories, the polymer works, based on technology and equipment bought from Imperial Chemical Industries, and the ethylene works, which are Russian-planned and equipped. British and Russian technicians supervised the assembling and installation of the equipment, instruments and appliances.

Raw material for the new plant is low-grade petrol. The polyethylene powder will be produced under high pressure and most of the annual output will be processed in other units of the Tisza chemical combine.

End products will include polyethylene foil, various sacks and packs, household and technical goods and injection-moulded products. The polyethylene powder will also be used for bottle and container manufacture and in the manufacture of cables.

BL Israeli talks are deadlocked

By Our Own Correspondent

DEADLOCK appears to have been reached in the talks between British Leyland and the Israel Government on the future of the Autocars company in which BLMC is a partner.

A top level delegation from Britain together with the local director of Autocars, Mr. Yitzhak Shuhinsky, met last night with the Israeli Ministers of Finance and of Transport and the new Governor of the Bank of Israel, Mr. Moshe Zanbar, but no solution to the company's financial difficulties was reached.

The main point at issue at the moment appears to be the Israel Government's request that Leyland invest an additional sum in the company to match local investments and bank loans which the Israel Government would have to guarantee.

Leyland is due to give its final reply before the end of this week.

TI looks for European trade boost

AS PART of a sales drive to increase its share of motor industry business, the Steel Tube Division of Tube Investments is sending a special mobile exhibition to Germany. The exhibition depicts the wide range of tubular steel components which TI Steel Tube Division produces for exhaust systems, suspensions, steering gear, seating transmissions, power units, and many other parts, for cars and commercial vehicles.

Mr. R. M. Bagnall, Managing-Director of TI Steel Tube Division, commented: "The main reason for going is to sell more of our products. Prime examples are exhaust systems and energy-absorbing steering columns for which we have manufacturing plants in Holland and which we are already selling to German car-makers.

"Increased rationalisation of design, development and engineering facilities within the international motor manufacturing companies makes it essential for us to establish closer contacts. To maintain our position as a leading supplier to certain car-makers in the U.K., we must also sell ourselves to key centres in Europe."

TI Steel Tube Division's decision to send a special mobile exhibition to Germany stems from the position in the European industry of the international car producers operating there.

U.K. car makers feature strongly in the intensified marketing programme. Apart from regular sales and engineering contact, TI Steel Tube Division has already sent a mobile exhibition, similar to the one visiting Germany, round the U.K. car makers.

TI Steel Tube Division is the largest operating Division in the Tube Investments Group with a turnover in excess of £100m. On the automotive product front, TI Steel Tube Division produces a wide range of welded and seamless steel tube and a host of fabricated, manipulated and machined tubular components in carbon and alloy steels. These include axles, prop shafts, axle housings, brake lines, fuel lines, track rods, seat frames and anti-pollution devices.

Although the expansion of the Division's business in Europe will be mainly in the component field rather than plain tube, in the U.K. at least, tube will continue for many years to form the greater part of the Division's business in the automotive sector.

There is, however, growing emphasis on finished and semi-finished components—during the last two years TI Steel Tube Division has entered the market as a producer of complete silencer systems and complete energy-absorbing steering columns.

Neepsend's French move

ARRANGEMENTS have been concluded for Neepsend Steel and Tool Corporation to take a 12 per cent. equity stake in the French company, DOGA (Ets. Desonches, Marion, Hounsfield and Cie, SA). Based in the outskirts of Paris, DOGA is a well-established distributor of engineering products.

It has for many years marketed a range of Neepsend products—under the brand names of Speed, Pearlite and Novo—such as metal cutting saws, drills, toolbits and pre-machined tool steels.

Mr. Kenneth Jacques, finance director of Neepsend, is joining the Board of DOGA. It is planned to set up a separate marketing division within DOGA to handle the complete range of Neepsend products. The volume of Neepsend exports through the DOGA outlet has grown substantially in recent years, and this closer association is expected to lead to a more rapid expansion of sales.

Distributors for Ewart

EWART Chainbelt Company's world network of some 70 distributors has been strengthened by the appointment of new distributors in Belgium and Indonesia, and extension of an existing arrangement with a leading engineering company in Malaysia.

The new Belgian distributor is SA Vermeire-Belting NV, which has offices in Brussels, Ghent and Ensival. In Indonesia, the new distributor is P. T. Ometraco of Surabaja.

Hargill Engineering, of Kuala Lumpur, which has until now handled Ewart's range of transmission chains, has been appointed to distribute the entire chain range—embracing conveying as well as drive chains—throughout Malaysia.

Ewart Chainbelt Company is based at Derby.

*

Air Products, of New Malden, Surrey, is to build two air separation plants, costing R4.5m., in South Africa.

The plants are part of a R20m. contract to supply oxygen gas over a 15-year period to Iscor's Vanderbijlpark works won by Air Products South Africa (Pty.).

The air separation plants will be adjacent to the liquefier and argon purification facility inaugurated at Vanderbijlpark in September. Each will be able to produce 290 metric tons a day of oxygen gas, 150 metric tons a day of high-purity nitrogen gas and six metric tons of crude liquid argon daily.

The plants will be supplied on a turnkey basis and will be commissioned by August, 1974.

The Air Products South Africa Pty. contract comes less than eight weeks after the same company was awarded a 15-year R25m. contract for the supply of tonnage oxygen and tonnage nitrogen to Iscor's Newcastle works in Natal.

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European News

French take tough action to control food prices

BY ROBERT MAUTHNER

PARIS, Nov. 1.

THE FRENCH Government, seriously worried about the recent rapid increase in prices which is beginning to undermine its whole economic policy, has taken tough measures to control the retail prices of a number of foodstuffs.

For the moment, only the retail prices of eggs, ham, bananas and chocolate are affected, but there can be little doubt that M. Valery Giscard d'Estaing, the Finance and Economics Minister, will extend the controls to other products if the current rate of increase in the cost of living index continues.

After rising by 0.4 per cent. in August, the index went up by another 0.5 per cent. in September. The increase in October is expected to be of the same order, thus casting serious doubt on the Government's ability to keep the average monthly rate of increase down to 0.3 per cent. next year, is its announced intention.

The "anti-increase" contracts already signed between the Finance and Economics Ministry and several industrial associations, to restrict price rises of industrial products to 1.5 per cent. during a six-month period ending in March, will be of little avail unless the prices of foodstuffs can also be kept in check. These have jumped by as much as 0.7 per cent. in September, bringing the total increase in foodstuff prices over the previous twelve months to 5.9 per cent., compared with a rise in the retail price index as a whole of 5.7 per cent. over the same period.

Prisoner

It is clear, too, that the Government stands no chance whatsoever of persuading the trade unions to moderate their wage demands as long as food prices are going up at their present rate.

In some ways, the Government is the prisoner of its own wages policy. Under the current index-linked wage contracts signed with the most important nationalised enterprises, wages must be automatically increased once prices have risen more than 4 per cent. in any one year. Since this threshold was passed as early as September, wage adjustments had to be brought forward to September 1 instead of coming into effect a month later, as was the original intention.

Although it is much too early to speak of a recession, there are a number of disquieting signs that the outlook for French industry during the coming months is not quite as rosy as the authorities claim and that inflation is beginning to take its toll.

Reports of lay-offs in several French industries and regions have become more frequent over the past few weeks and unemployment, while still low by present British standards, has lately been rising steadily.

Mediation in German wage talks

BY CHRISTOPHER LORENZ

FRANKFURT, Nov. 1.

THE West German Metalworkers' wage negotiations, which have been going on for almost a month with the two sides maintaining their opening positions, enter a crucial phase to-morrow. Unions and employers will meet an independent mediator in Stuttgart in an attempt to thrash out a compromise between the union's demand of 9 to 11 per cent. and the employers' counter offer of 4.5 per cent. Neither side is optimistic that a way will be found to bridge the gap, and by the coming Thursday a strike later this month may be virtually certain.

The Stuttgart meeting concerns only one of 20 "wage regions," Nordwuerttemberg Nord-Baden, but as this is one of the most weighty areas, as well as the first to reach the mediation stage, the results of the talks are expected to have a strong influence on the remainder of the country. Two of the other important regions North Rhine Westphalia and Hessen, are not far behind the Stuttgart negotiators in time, and in many other areas talks are on the verge of collapse, so the situation could escalate rapidly to affect a fair proportion of the country's 4.3m. metal workers.

The negotiations have more political content than almost any other wage talks in recent years, as they come when the economy is at last cooling off after three years of boom. Faced with reduced profits and equally gloomy prospects, in some cases at least, the employers have gone to great lengths to enlist public support for their offer. Having just inserted large advertisements in a number of influential newspapers, they have now tried to get the Bundesbank to deliver its detailed opinion about the wage situation. All the indications are that the bank will refuse to be drawn into the detailed argument, although its general position was made clear several weeks ago when President Klasen called for an "iron" wage and price discipline.

Bonn tax plans attacked

BY CHRISTOPHER LORENZ

FRANKFURT, Nov. 1.

THE GERMAN subsidiaries of major international companies have got together to attack Bonn's proposals for tax reforms. A number of companies, including German Shell, had joint talks last Friday with the Economics and Finance Ministry at which they expressed their concern at the effects that the plans will have if they become effective, as planned, from 1974. They intend to continue their campaign.

The point at issue is the proposed unification of corporation tax rates. At present the tax is levied at a basic rate of 51 per cent. on retained profits, but only 15 per cent. on earnings paid out in dividends. Some German tax experts allege that the subsidiaries of foreign companies pay out a high proportion of earnings to their foreign parents. This view is challenged by companies such as Shell, which insist that after various complex tax calculations have been made, they do not stand at an advantage.

Brezhnev says security conference takes shape

BERLIN, Nov. 1.

SOVIET PARTY Leader Leonid Brezhnev said here to-day the prospect of a European Security Conference was beginning to take shape, but warned of many long-term European problems yet to be solved. Rounding off the talks he has held with East German leaders since he arrived on Saturday from Paris, Mr. Brezhnev reassured his hosts that regard for East Germany's sovereign interests represented "the ABC of the European policy of the countries of socialism."

The Soviet leader—speaking at a formal luncheon just before his departure for Moscow—said his talks here had ended in complete unity of views in all questions discussed. He spoke encouragingly of the "good and favourable changes" that were taking place in Europe, and added: "The prospects for calling a pan-European conference on questions of security and co-operation is beginning to take shape. Obviously, it will be possible in the not-too-distant future to begin with negotiations on a reduction of armaments and armed forces in Europe."

Turning Europe into a Continent of secure peace meant excluding the use of force and the threat of use of force in relations between states, Mr. Brezhnev said. It also meant having regard for the equality, independence and sovereign rights of every state. "It means finally pulling down all artificial barriers which oppose the peaceful co-existence of the European states, regardless of their social order." The principle of inviolability of post-war frontiers had found general de facto recognition, the Soviet leader declared.

He paid tribute to "the realistic steps" of the Bonn Government in European affairs, but at the same time warned of "reactionary, chauvinistic-minded circles in West Germany" who he claimed were trying to torpedo the easing of tension. "There are—and we spoke thoroughly about this today—many questions of a long-term settlement in the heart of Europe still to be solved. Before us lies a grave, political struggle," he said.

A communique issued later stated that the talks took place on all three days that Mr. Brezhnev was there, confirming the impression that his visit had a thoroughly businesslike character. It also confirmed that the East-West German negotiations on Berlin were among the subjects raised during the discussions, in which Herr Walter Ulbricht, the 78-year-old head of state, surprisingly took part. Herr Ulbricht resigned as party leader last May, officially because of advancing years and ill-health, and has not been seen in public since mid-June.

Reuter

Albanian Party Congress opens

By Our Own Correspondent

VIENNA, Nov. 1.

THE Sixth Congress of the Albanian Communist Party, which opens to-day in Tirana, will approve an ambitious new Five Year Plan (1971-75) setting a 60 to 65 per cent. growth target for industry. The draft submitted to the Congress continues to maintain the primacy of heavy industry and "reliance upon one's own forces." Investments, rising by 75 per cent., should equal the total made between 1951 and 1968.

The report of the Party leadership also claims that industrial output during the past five years was rising at an annual rate of 12.9 per cent. as against the originally projected 8.7 per cent.

Mintoff goes to Romania for aid

By Richard Johns

MR. DOM MINTOFF left Valletta yesterday for Bucharest on the first visit by a Maltese Prime Minister behind the Iron Curtain.

His visit should probably be seen within the context of the negotiations over the amount of money that Britain should pay for the use of military facilities on Malta. There is little doubt that he would use the prospect of East bloc aid to raise the U.K.-NATO offer.

On September 23, following talks at Chequers between Mr. Mintoff and Mr. Edward Heath, the Maltese and British Governments agreed to negotiate on the basis of the £9.5m. annual aid offer evolved in the strained and sometimes heated exchanges earlier in the summer.

However, it is known that Mr. Mintoff aims at raising the figure substantially. Indeed, he has given some visitors the impression that he still wants £15m. or more.

Holding out

So far two rounds of official talks have been held and progress has been slow. It is believed that much of the time has been taken up with such relatively technical affairs as the fate of the land now under the forces' control which Malta now wants for development purposes. But in the bargaining Mr. Mintoff's officials have been holding out for the right to allow Soviet naval vessels to dock at Malta.

However, for Mr. Mintoff, a flirtation with Romania with its independent foreign policy would be very different to one with the Soviet Union. Bucharest's search for an East-West detente fits in well with Mr. Mintoff's ideas of non-alignment.

The third round of Anglo-Maltese talks is scheduled to start in Valletta on November 15.

Peter Tumiati reports from Rome: Mr. Mintoff stopped here to-day on his way to Bucharest. He will spend a day in Rome before flying to Bucharest to-morrow.

A spokesman of the Italian Foreign Ministry stated here that Mr. Mintoff was not expected to have political talks or meetings here in Rome and his visit was a private one.

SWISS COALITION CONFIRMED

BERNE, Nov. 1.

SWITZERLAND'S ruling four-party coalition has regained an overall majority in the week-end elections — showing that the granting of women's suffrage made little change in the country's voting pattern. At least seven women are among the 200 members of the new National Council—the lower house of Parliament—but otherwise there is little from the results to show that in this election the centuries-old traditional of "men only" was broken and women in fact made up the majority of the electorate.

Reuter

THE POLISH SCENE

Winter of uncertainty ahead

BY MICHAEL SIMMONS, EAST EUROPEAN CORRESPONDENT

IN A FEW weeks' time, Mr. Edward Gierek, the Polish party leader, will officially consolidate his position as effective head of a state still simmering with discontent. The occasion will be the Sixth Party Congress, at which he will be able to look back with probably very mixed feelings on almost a year in office.

If he uses the recent words of his trouble-shooting Prime Minister, Mr. Piotr Jaroszewicz, he will say that "conditions in Poland are now good thanks to the creative efforts of the people." But if he recalls his own words to the Central Committee of just a few weeks ago, then he will deal painstakingly and at length with what he called "the important and urgent problems of Poland's economic development."

The probability is that, being a realist, he will do the latter.

As an honest man, he will have little choice. For the Poles, to judge from their own pronouncements, are heading for a winter of considerable uncertainty—particularly on the consumer front, where, in spite of official optimism in a number of other areas, the situation often seems uncannily to resemble that which brought the downfall of the unlamented Mr. Gomulka.

Some weeks ago, for instance, a report in Zycie Literackie, one of Warsaw's heavyweight newspapers, described a market place in Nowy Targ, a relatively well-off town in southern Poland. "The women," it said, "are rushing like herds of wild horses from shop to shop with a mad look in their eyes. There is no meat in the shops, very little bread, precious little tinned food, fresh fruit or vegetables. The women are up in arms. . . ."

Some of the women, the writer went on, had travelled 25 miles to get supplies. "Have they got to return home empty-handed?" he asked, or should they move on, by a doubtful public transport service, as far again to a place where "rumour" had it supplies might be better.

This journalist, Mr. Jerzy Lovell, writing with a frankness that has had few parallels in post-war Eastern Europe, said that the "hysteria" and "hostility" he saw in the shops were not confined to this one provincial town. "Throughout Poland," he added, "the 'trade war' rages . . . Such a state of affairs, one feels, cannot go on. There has to be a breakthrough, or a crisis. The matter is very, very serious . . ."

This sort of thing cannot help Mr. Gierek to sleep any easier at nights. And it probably gives Mr. Gomulka cause for a wry smile or a trenchant footnote as he goes on writing his memoirs. The major difference between now and a year ago (when Mr. Gomulka was still in the hot seat) is that the people did not have the same faith as they may now have in the safety-valve of straight-talking journalists. It is to Mr. Gierek's credit that he is encouraging people to speak up about their grievances in the hope of getting something done.

But Mr. Gierek's pre-occupation now, as he works out his Congress speech, must be to assess to what extent the situation has improved during his tenure of office, insofar as he can expect it to have improved, given the very bad state of the national economy and its very limited reserves when he took over. The odds are that he will find that the balance of supply and demand—as the Nowy Targ experience and others like it are showing—has improved only marginally. In this case, he will doubtless have to ask himself to what extent his new brooms have been able to sweep clean.

On the socio-political front, he will argue that there have been definite changes for the better. In many instances, throughout the country, Party officials have been removed from their posts—often at popular instigation. So-called "conversations" have led to the removal from the Party of scores of thousands of dilatory members. Non-Party people occupying strategic positions in the economy and in local government are being encouraged to play a more vigorous role.

Indeed, the régime is counting a great deal on just such encouragement. It is offering itself to the people for judgment, even for overt criticism (though Poles I have met remain very sceptical or what real scope they have here) and telling them that, within legal limits, they must protest whenever they think fit. Even occasional strikes—going under the euphemism of "work stoppages"—have taken place without too much disapproval from above. The reason given for the few that have occurred was that work conditions were not always good. And there have been some reports of demonstrations in the streets of provincial centres, though these, where acknowledged, have more often than not been put down to hooliganism or drunkenness (still a major social problem).

Such "freedoms" of expression are being enjoyed by people still agitating for a better life. At official level, such agitation goes on because the Party is still on the offensive against what it calls old-fashioned and outworn habits and attitudes and wants to develop a sense of responsibility. At other than official level, there is a feeling that the Gierek leadership want people to get things off their chest. The authorities seem to be saying that if the grudge-bearers can just verbalise their grudges, then they will be the better off for doing so. Pent-up anger, according to this argument, does no one any good—because when it does explode it leads to the disasters of last December.

Thus, Party organisations "at all levels" have had explicit instructions to listen to and, where possible, to deal with, people's complaints and suggestions. The aim is to uncover all sources of "friction and tension" and to end the "clique system" and what the authorities keep on calling "soullessness."

In recent weeks, therefore, at the industrial centre of Opole, local bureaucrats have been castigated for failing to settle citizens' problems. At Lodz the Party was publicly accused of "unsatisfactory human relations, soullessness, abuse of authority and hypocrisy." At Zielona Gora, managers have been accused of unnecessary hoarding and exorbitant overcharging. At Poznan, top local authority officials have decided to make themselves available to hear people's complaints over the telephone during office hours. And so on. . . .

But even where these and similar remedial measures have been taken, the authorities still admit there is much to complain about. The public has already been warned that the winter will almost certainly show an inability to meet demand in some key commodities. "As regards food," a top-level trade union meeting was told in Warsaw the other day, "we shall continue to experience a shortage of meat products and butter."

In other words, the complaints so far as the general public is concerned almost invariably continue to focus on consumer needs. Partly, they have arisen from an inflationary situation. Pay awards after last December, whether directly or indirectly awarded, meant that the country's wage bill was growing more quickly than industrial production, which in the first nine months of this year went up by an annual rate of 7 per cent. However, some of the most notable delays in completing new plant have been in light industries and food processing.

Mr. Jaroszewicz, putting on a bold front in the National Assembly last week, said that "all in all" supply was meeting demand. But, he conceded, the sought-after improvement in the variety and quality of goods available was still inadequate. In an effort to meet popular demand for meat—the most highly charged and most political commodity—more than 150,000 tons of it had had to be imported at 330m. zloties in foreign currency (that is, about £36m. at the commercial exchange rate). In addition, to meet food shortages, some 3m. tons of grain (around £75m. worth in the hard currency areas) had been bought abroad.

Such shortages echo disturbingly those that occurred a year ago. Mr. Gierek, no doubt, knows this very well. He may be gathering people about him who wholeheartedly support his policies, but he knows, and they know, and a manifestly discontented population knows, that he still has an uphill struggle to see these policies implemented.

Labour support for U.K. computer venture

BY TED SCHOETERS

A LABOUR Administration would not choose against Britain if it were put in the position of baving to make up its mind between a netional computing company and one controlled from the U.S., Mr. Harold Wilson, Leeder of the Opposition, told the Financial Times yesterday.

Mr. Wilson, clearly intrigued as to how the French and German Governments were bandling this problem, said be was deeply concerned on the question of bow mucb Britain was investing in advanced technology.

That was very closely involved with the particular function at wblch he was assisting—the opening of a new beadquarters for the computer bureau effort of the Rothschild organisation, known as DataSolve.

Mr. Wilson made it clear thers would not bave been a U.K. computer organisation but for Government intervention. He gave the then International Computers and Tabuletors organisation—in 1964—at best a six-wesk lease of life but for the action of the then Ministry of Technology.

There was no area of industry or business that was not involved in some way with computing tecbniques, be commented.

Significantly, Mr. Wilson made the point that in his view there was not a single area of technology in which it could be said that a company could involve itself in all the research work—let alone development—it needed to stay ahead of the field withont some form of Government support.

This conclusion was the fruit of so many visits to research centres in Britain over e number of years when be had been either in power or in opposition.

Mr. Wilson showed particular concern for the rising generation, since et Bradford University where he is chancellor, some 15 per cent. of this year's graduates were still looking for work.

In the specialised fields of compnter sciences, mathemetics, chemistry and chemical engineering, the level of unemployment was as high as 18 per cent. This be considered to be a dangerous thing for the country as a whole.

O'Brien to speak at City and Europe conference

SIR Leslie O'Brien, Governor of the Bank of England, will be the first speaker at the conference on the City and Europe organised by the Financial Times in association with the Investors Chronicle and the London Europe Society.

He will discuss Sterling and Europe when the conference opens in London on December 8.

The speakers will evaluate the opportunities facing some of the main institutions of the City. They will also discuss bow the enlarged EEC will be strengthened hy the inclusion of the City of London and the extent to which City business with other countries will be effected by Community membership.

Other speakers

In addition to Sir Leslie O'Brien, Mr. John Prideaux, chairman of the National Westminster Bank, will talk on the Clearing Banks and the Euronean Money Market, Mr. Charles Villlers, chairman of Gninness Mahon, on the Merchant Banks and Cross-Frontier Mergers in the Enlarged EEC, and Sir Martin Wilkinson, chairman of the Stock Exchange, on the Stock Exchange's Role in Europe.

At the end of the conference, there will be an open forum on the City and Europe with Mr. John Nash, a director of Samuel Mootagu, Mr. Robin Pringle, deputy director of the Committee on Invisible Exports, and Professor Alan Peacock of the University of York, taking part. Sir Cyril Kleinwort, cbairman of the Committee on Invisible Exports, will be chairman of tha discussion.

Mr. Geoffrey Rippon, the Government's Common Market negotiator, will he guest speaker at the luncheon during the conference.

Applications to attand the conference should be made to the Financial Times Conference Denartment, 388 Strand, London, WC2R OLT.

Shipping lines plan new round-world container service

BY JAMES McDONALD, SHIPPING CORRESPONDENT

ASSOCIATED Container Transportation (Australia)—one of Britain's two major containership consortia—and Australian National Line are to operate next autumn the first regular round-the-world containership service. It will incinde a containership service to and from New Zealand, turned down earlier this year by the four Britisb lines in the U.K.-Nsw Zeeland trade.

As a result of this new flexible service, ACT is withdrawing in August next year from tha integrated sailing schedules operated by Europe-Australia Container Services (EACS), which combines with ACT, Overseas Containers and Continental shipping companies in serving Australia.

Split

The move by ACT—comprising Ben Line, Blue Star, Harrison Line, Ellerman, and Cunard—has not haen welcomed by Overseas Containars, wbose partners include P & O, Ocean Steam, British and Commonwealth Shipping, and Furness Withy.

Althougb Sir Basil Smallpeice, cbairman of ACT (Australia), stressed in London yesterday that the departure af ACT from the Britisb OCL group was friendly and that freight rates would remain the same, the fact is that two British container consortia have split.

Tbere are soma suggestions that this is a political move in view of the genaral antsgonism by Australian and New Zealand interests towards a British shipping monopoly.

These suggestions were denied yesterday by the shipping lines involved.

Sir Basil said: "This new round-the-world service which incorporates New Zealand has become possible by the two companies combining their containership services between U.K., Europe and Australia with their other services between Australia, New Zealand and the East coast of North Amarica."

Althaugh tha service to New Zealand would initially he of limited capacity—about two containership sailings a month to and from the country—"it will offer shippers in that country their first opportunity to ship by container between New Zealand and U.K.-Europe," commented Sir Basil.

Mr. Jim Payne, executive director of the ACTA-ANL service said yesterday: "Tha service will offer shippers and consignees a regular and fast door-to-door container service on these routes with fast transit times, in some cases faster than any now operating, and will be sufficiently flexible to meet the varying requirements of shippers."

The objective was to fill the ships northbound as well as southbound between Australia, New Zealand, U.K., and Continent. "Our PACE Line containership service between Australia, New Zealand, U.S. and Canada will continue and will be an integral part of the wbola operation."

Sir Basil said: "By combining our services in this way we gain flexibility and the best possible utilisation of our vessels thus helping us to earn an acceptable return on our investment. Shippers in all areas concerned will benefit from this new service. Plans are also under consideration to expand the refrigerated capacity of our existing ships."

Reluctant

Overseas Containers and its European partners yesterday were reluctant to comment on the effect of ACT leaving the Australian consortium. ACT (Australia) must still use a British containerport—at present the OCL-owned berth at Tilbury. But there are several options open to it, including "common user" berths at Tilbury, the availability of berths at the Southampton containerport, and also at Liverpool.

U.K. to Australia containers would be carried under the new ACT arrangement on a 23-day basis between New Zealand and the U.K., and between ths U.K. and New Zealand, 30 days.

"A round-world containership system allows us to balance trade each way," said Mr. Payne. He envisaged 46,000 containers going southbound and about 40,000 containers northbound per year. At present the northbound figure from Australasia was much lower.

Allied Breweries enters tonic market

BY KENNETH GOODING

THE ALREADY-CROWDED £77m. market for "mixar" drinks — products like tonic, bltter lemon and ginger ale—seems certain of another big sbake-up next spring because Allied Breweries, second-largest of the U.K. brewers, has antered the fray.

Alliad is currently test marketing "mixers" under the Britvic label in its Northern trading area. The drinks are being produced by the Leeds-based Minster Soft Drinks subsidiary.

So far, Allied is insisting that only a test msrket operation is going on but the trade expects the group to go "national" in time for the build-up in business next spring.

Currently the market is dominated by Schweppas which controls up to 60 per cent. but its position has for soma time been under threat from the major brewers.

Bass Charrington, the biggest concern of its kind with around 13,000 outlets, bas been building up the Canada Dry brand with some success.

Whitbread—with some 8,000 public bouses bas taken over R. Whites, merged it with Rawlings and is now using tha Rawlings brand for its "mixers."

Even Cantrell and Cocbrane—in which Scbwsppes has a msjor shareholding — bas recently cbanged its marketing approacb and is selling "mixers" under tbe Club label. Two of the other major brewers, Watney and Courage, are minority sbareholders in C. and C. so in their pubs, totalling more tban 12,000, the brand has a good start.

Scbweppes's official reaction is to say "we welcome competition" but it is donbtful if tbe "mixers" market can stand balf a dozen major brands—Hunts, the Beecham offsboot is also involved.

In Britvic, Allied bas a good name to huild on. It has a fine repntation for its fruit juices, produced at its Chelmsford base, and could quickly become a major force in tbe "mixers" business by nsing Allied's 8,000 pubs and extensive "free" trade connections as a hase from which to develop.

Board lifts sales of appliances

EVIDENCE of tha impact of July's mini-Budget is reported by the Midlands Electricity Board, which in September sold a record £1.3m. of domestic appliances, up £300,000 oo last year. This brought tha first-half year's trading to £5.5m.

Over the six months, cookar sales rose 2,000 to 23,000 compared with the first six months of last year: home freezers doubled to 4,400: washing machines were up from 6,200 to 8,800: vacuum cleaners up from 9,000 to 10,500: TV sets from 2,300 to 3,000: and storage radiators up 3,000 to 23,000.

The Board increased sales of central beating systems, covering 22.7 per cent. of all new homes.

Conoco lays 86-mile North Sea pipeline

CONOCO, the U.K. subsidiary of Continental Oil Company, has completed the longest pipelina in tha North Sea, to taka oew gas supplies from the Conoco-NCB partnerships Viking Field off the Yorkshire coast.

The pipeline 86 miles long, and 28 inches in diameter, connects the field to a terminal under construction at Theddlethorpe, Lincs. It will start feeding the terminal in October, 1972. The pipeline has a three-inch concrete coating, and is buried beneath tbe sea-bed at depths of up to 12 ft.

It is a major step in the Conoco-NCB Viking project development, which is expected to cost about £50m. when complete. Viking will produce an average of 550m. cu. ft. of gas daily, and will be capabls of delivering more than 900m. cu. ft. a day on demand.

New Glaxo plant in W. Germany

By John Trafford

GLAXO Pharmazeutika, the West German subsidiary of the Glaxs Group, bas started bullding its new £800,000 pbarmaceutical processing and packing plant on a nine-acre site at Bad Oldesloe, near Hamburg.

Funds for tbe new investment are expected to come from the DM75m. loan whicb Glaxo raised in Germany last July.

The German plant is likely to he comoleted next September and will produce a range of ethical pbarmaceuticals, including tbe two major corticosterolds products, Betnovate and Betnesol, and the anti-asthma hronchodilator, Ventolin.

Thesa products are already marketed in West Germany by Glaxo, whicb has been operating from an office in Düsseldorf since 1965, mainly as a marketing operation.

The group has manufacturing subsidiaries in Italy and France. In the other EEC countries, and in Switzerland and Scandinavia, the group operates marketing companies, in some cases linked to local pharmaceutical manufacturers.

Peak wine consumption

THE wine market cleared more than 4m. gallons from bond in August.

Imported wines, with 3,206,000 gallons cleared, were 27.6 per vent. ahead of August last year, and Britisb wines—88,000 gallons cleared—showed a gain of 12.1 per cent.

Customs and Excise figures released yesterday reveal a record consumption of 23,288,000 gallons of imported wines in the first eight months of this year. According to tbe Win and Spirit Association's alalysis, tihs is nearly 5m. gallons (27 per cent.) above that for the corresponding period last year.

'Significant'

Britisb wines with another 6,885,000 gallons—an advance of 18.2 per cent.— brought total consumption in the eight-month period to 30,173,000 gallons.

Mr. Peter Noble, chairman of the Wine and Spirit Association, said: "The significanc eof the situation is that throughout the summer tha market appears to have been gathering momentum for its peak performance in the final four months of the year.

"On present evidence, I would estimate that consumption in the 12 months to 1971 will be 55m. gallons plus, or abont 10m. gallons more than the 1970 total. It must be emphasised, bowever, that 55m. gallons is equivalent to no more than six bottles per head of population each year, compared with France's 150 bottles."

Table wines continued to lead the upsurge in the market during August; the 1,980,000 gallons cleared represented an increase of 31.2 per cent. on August last year. High strength wines—the port and sherry types—totalled 1,090,000 gallons, an increase of 25.3 per cent.

In the eight months, January-August, 607,000 gallons of champagne were cleared from bond, 12.6 per cent. more than in the comparable period of 1970.

Scotch bond withdrawals 15.7% down in August

FINANCIAL TIMES REPORTER

THE quantity of Scotch whisky withdrawn from bood in August this year was 15.7 per cent. down on withdrawals for the same month in 1970 at 789,000 proof galloos compared with 936,000.

This is due to the stocking-up which went on in advance of home market price increases in October last year—increases concerning which Distillers gave about six weeks' warning.

Consequently, tbe figures released to-day by the Customs and Excise continue to give a pretty confused picture.

However, the year's running total of withdrawals of Scotch from bond up to the end of August was 5.496m. gallons, just 0.3 per cent. or 19,000 galloos abead of the total for the first eight months of 1970.

Gin and vodka, lumped together for these statistical purposes, suffered a similar fate.

Tax payments on gin and vodka this August fell 20 per cent., compared with the previous August, to 419,000 gallons, though their running total for this year's period was 4 per cent. ahead of last year's and amounted to 2,477,000 gallons.

Rum tax-paid withdrawals in August at 148,000 gallons were only 4,000 gallons up on the previous August, but the running total showed a vigorous 18 per cent. increase to pass the 1m.-gallon mark and reach the full figure of 1.016m. gallons.

Brandy did best of all. Tax payments on brandy rose in August by 12.8 per cent. to 123,000 gallons, and at 884,000 gallons, this year's running total was 19.7 per cent. ahead of last year's comparable figure.

Imported spirits overall, however, slipped back 4 per cent. in August to 815,000 gallons, but the running total of 2.223m. gallons was 8 per cent. in advance of last year.

Whisky production in August showed a surprising increase of 7.5 per cent.—compared with the previous August, and output amounted to 8,690,000 original proof gallous.

This made a runniog total for the calendar year of 94.894m. original proof gallons, an average advance for this year of 8.7 per cent.

Spirit production in the U.K. in the aight-month period moved up 4.2 par cent. to 100.971m. gallons, the first time sucb output bas passed the 100m. mark for this period of the year.

12-mile limit: Fishermen to see Prior

A deleeation from the Fisheries Oreanisation Society, representing 12,000 inshore fishermen in Eneland and Wales, is to meet Mr. James Prior, Minister of Agriculture, Fisheries and Food, in London to-morrow, to press their claims for the retention of Britain's 12-mile fishing limit.

They are concerned that fishing rights may be conceded in EEC ministerial negotiations in Brussels on November 9.

Director apologises to Cunard ex-colleagues

FORMER Cunard Steam-Ship Company director Mr. Donald Forrester apologised in the High Court yesterday for an unjustified allegation he made about other directors on the Board.

Mr. Forrester, one of two Cunard Board members who voted against a takeover bid, told a newspaper reporter the nine directors who votad in favour of the bid did so to protect their own position.

Mr. Forrester, of Portland Place, Londoo, apologised to Sir Basil Smallpeice and nine others who were directors of Cunard for the distress he had caused them.

Ha had also agreed to pay the costs of the plaintiff directors.

Mr. Leon Britten, counsel for Sir Basil and tha other directors, told Mr. Justice Shaw they hod voted in favour of recommending acceptance of offers made by Trafalgar House Investmenta for Cunard stock.

Mr. Forrester, one of two Cunard Board members wbo voted against the recommendation and subsequently resigned, had spoken to a Daily Mall journalist shortly after the Board's decision.

In this conversation he spoke words wbich bore tbe clear imputation that Sir Basil and the other directors decided to recommend acceptance of the Trafalgar offer because they bad received an assurance that the personal position of those who were executive members of the Board would be protected, and not because they truly believed that acceptance would be in the best interests of stockholders.

Mr. Forrester's allegations were reported in the Daily Mall last August.

Mr. Britten, reading from an agreed statement, said that in the case of those who were executive directors the charge amounted to an allegatioo of furthering their own personal interests at tha expense of stockholders. In the case of the otber directors the charga was of complicity in such misconduct.

"These allegations were without foundation, as the defendant now accepts," said counsel.

"No assurance whatsoever was given by Trafalgar that the executive members of the Cunard Board would retain their jobs, nor was any such assurance sought."

Through counsel Mr. Forrester apologised for casting a slur on their reputation by speaking as be did.

Regret

Mr. Peter Bowsher, counsel for Mr. Forrester, said tha defendant greatly regretted having given currency to sucb a charge and welcomed the opportunity of withdrswing it unreservedly. He apologised to Sir Basil and the other directors for the distress he caused them.

Leave was given for the record of the action to be withdrawn.

The other plaintiff directors were Baron Mancroft, Mr. Philip Hammond Shirley, Sir John Edward Wall, Mr. Peter Wrightson, Mr. Norman Sinclair Thompson, Mr. John Dennis Miles Hearth, Dr. Kanneth Glenny Bergin, Commander Walter Edward Whitehead, and Lord Shackleton of Burley.

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Other Overseas News

Johannesburg Dean gets five years' imprisonment

BY GRAHAM HATTON

JOHANNESBURG, Nov. 1.

JOHANNESBURG'S 59-year-old Anglican Dean, the Very Rev. Gonville ffrench-Beytagh, a British subject, was this afternoon sentenced to five years in jail for contravening the Terrorism Act. Delivering judgment in Pretoria's old synagogue, Mr. Justice Cillie found the Dean guilty on three of ten counts—that the Dean encouraged a meeting of the Black Sash Organisation on December 12, 1970 to bring about an overthrow of the State; incited a State witness, Mr. Jordaan, to commit acts of terrorism; and administered funds on behalf of the Defence and Aid Fund and the African National Congress, both of which are banned organisations.

Police

The Dean was granted leave to appeal and bail of rand 10,000 (£6,000) was extended. He will have to report to the police once a week and will have to give up his passport.

The verdict was heard by a large crowd which over-flowed onto the blistering hot pavements outside the court room. One man who shouted that he also wanted to be sentenced was carried away by the police. Several hundred people crowding the court entrance cheered Defence Counsel as they left the building after the verdict.

Dealing with the Black Sash meeting of December last year, the Judge found that the Dean who addressed the meeting had encouraged people to contravene the law and prepare for a violent uprising aimed at bringing about social, economic and political changes in the country. The Judge said the evidence of witnesses who had attended the meeting differed only slightly. A determined attack had been made by the Defence on the evidence of the State witness, Mrs. Van Heerden, but she had remembered more of the meeting than Mrs. Gardner, another witness, who the defence claimed was more intelligent.

The court did not accept the Dean's claim that he was simply trying to make Black Sash members think about their position in the event of a black uprising. Rather, the Dean had encouraged them to prepare for violent revolution and to contravene the laws of the land.

On the question of political pamphlets found in the Dean's possession, the judge said the State had not proved that their possession constituted a breach of the terrorism act. He found nevertheless that the banned pamphlets were not planted by the police in the Dean's flat as the defence had claimed. The Dean knew of their existence and possessed them for distribution. The judge said the pamphlets were found in a shoe box. It was significant, he added, that on the back of some of these pamphlets were the words "to keep this secret is dangerous . . . pass it on."

Conspiracy

The Judge stressed that the Dean had not been on trial for his political beliefs, but for alleged illegal acts. He said the Terrorism Act carried a compulsory sentence of not less than five years.

Dealing with the cash received by the Dean from Miss Allison Norman in England, the judge said it was clear the Dean wanted to keep the source of the funds s secret. It was arranged with Miss Norman that the money be transferred to a bank account in Johannesburg. This way the Dean could pass on funds to organisations which could not accept funds from overseas. The judge found the State had proved beyond reasonable doubt that Miss Norman was an agent of the banned Defence and Aid Organisation.

He also found the Dean, together with the African National Congress and the Defence and Aid Fund, took part in what he termed a general conspiracy and was thus guilty of participating in terrorist activities.

India orders 'counter-action'

BY OUR OWN CORRESPONDENT

NEW DELHI, Nov. 1.

RELATIONS between India and Pakistan plunged to their lowest point to-day when India officially admitted that its forces had been ordered to take "counter-action" against border violations by Pakistani troops. A Defence Ministry spokesman said such "counter-action" was ordered yesterday and to-day to silence continued Pakistani shelling of Kamalpur about four miles from the border in Tripura state in eastern India.

The spokesman said the Indian action had been successful but he did not indicate its nature. However, air force was not used th spokesman said that Pakistani forces had shelled Kamalpur continuously for 11 days and this had now been stopped. He hoped there would be no further trouble from Pakistan in this sector.

In the western sector Pakistani aircraft intruded into Indian air space over Srinagar, the capital of Kashmir, at noon to-day according to an Indian source. Anti-aircraft guns opened fire but did not hit aircraft.

The spokesman said India had lodged a protest with United Nations' observers over nearly 200 violations of the cease-fire line in Kashmir by Pakistan in past few days.

● Our Foreign Staff adds: In London yesterday India's Prime Minister, Mrs. Indira Gandhi, kept up her fierce verbal demands that the rest of the world should take action to get President Yahya Khan to produce a political solution acceptable to tha people of East Pakistan.

At a Foreign Press Association lunch she said she could not meet President Yahya Khan to talk about the refugees. Would British leaders have held talks with Hitler in the middle of the war

Mrs. Gandhi said that India had been attacked three times, twice by Pakistan, but had never attacked Pakistan. "But, having been caught off our guard so many times, I do not think the people of India would forgive us if we were not fully prepared."

She said the refugees had tales of atrocity, morder and rape to tell: "Would U Thant have the courage to say to these people 'People are getting murdered. You go and get murdered'?"

Earlier Mrs. Gandhi again said that extra aid alone would not solve the problem of the refugees—that was like putting a bandage on a wound without finding out the cause of the wound.

Yesterday morning the Foreign Secretary, Sir Alec Douglas-Home, and the Minister of Overseas Development, Mr. Richard Wood, called on Mrs. Gandhi at her hotel and spent 40 minutes with her.

● Our Karachi Correspondent writes: The Pakistan Government will ask for a clarification from the Soviet Union on certain points contained in the Indo-Soviet joint statement issued last week at the end of Soviet deputy Foreign Minister Mr. Nikolai Firubin's five day talks with Indian officials in New Delhi. A Foreign Office spokesman said: "We have to study carefully the text of the joint statement" before offering any comment.

Nigeria sets fixed parity

LAGOS, Nov. 1.

NIGERIA has abandoned its two-tier monetary exchange system and will now maintain its established parity rate of £N1 to $2.80, the Governor of the Central Bank, Dr. Clement Isong, said to-day.

Nigeria embarked on the two-tier system just over two months ago when President Nixon announced suspension of the convertibility of the dollar to gold. It then adopted its original rate of £N1 to $2.80 for all official transactions, and a cross rate between the floating sterling and the dollar for non-official business.

Reuter

Bridget Bloom adds: Although officially denied, the change in the official rate of the Nigerian pound represents an effective devaluation against sterling of about ¼ per cent, and by varying amounts vis-a-vis other important currencies. In a sense this was overdue for Nigeria, like Kenya, Uganda and Tanzania whose currencies are also now pegged to the dollar, did not devalue with sterling in 1967.

Meanwhile, the Nigerian Government has announced the release of a further £N30m. (£35m.) to pay off the "pipeline" of overseas debts accrued during the civil war. So far £N150m. has been released against an estimated total, as at April 1 this year, of some £N230m. The Government therefore appears to be well within its target of having the pipeline cleared by next April.

CHINA FLAG AT U.N.

UNITED NATIONS, Nov. 1.

THE flag of the People's Republic of China was hoisted at the United Nations to-day for the first time, following Peking's week-end clarification of where it wished to be in the delegation list. The flag, a large gold star with four smaller ones in an arc against a red field, replaced that of nationalist China—on the same flagpole because the Peking government opted to be known in the U.N. as China, as the Chiang Kai-Shek regime was before it.

No formal ceremony attended the flag-raising. Had it been the flag-raising for a new state, four of which have been admitted at this General Assembly session, Secretary-General U Thant would have been on hand to make a speech in the presence of Assembly President Adam Malik and many delegates.

Reuter

Japanese steel mission leaves for Europe to-morrow

BY OUR OWN CORRESPONDENT

TOKYO, Nov. 1.

...PANESE steel industry ...ders are scheduled to leave ...yo for Paris on Wednesday ... talks with European steel... on Japan's plans to curtail ... exports to the European ...munity and Britain, accord... to reports in the industry ... to-day.

...he mission is likely to be led ... Mr. Yoshihiro Inayama, president of the Japan Iron and Steel ...eration and concurrently ...sident of the Nippon Steel ...poration, Japan's largest ... producer. However, offi...s of the federation to-day ...sed to confirm or deny the ...orts.

...dustry executives did admit ... they are seriously considering a voluntary quantitative re...tion programme on exports ... Britain and Western Europe ...inning next year. Also, it ... revealed that if such a mis... does leave Japan it will ...mpt to win acceptance of ...ish and EEC steel customers for an increase in export prices of Japanese steel products.

Evidently it is the hope of the Japanese mission members that they will be able to forestal the inclusion of a safeguard clause against Japanese steel exports in the proposed European Community trade agreement with Japan. It is also feared in Tokyo that unless Japan moves fast, the European Coal and Steel Community will enforce emergency restrictions on Japanese steel shipments to forestal a sudden increase.

Arrangement with U.S.

Under the proposed steel shipment restraint plan for Europe worked out by the Japanese, no controls would be placed on the annual growth rates as Japanese producers presently are doing as part of the three-year arrangement with the U.S. Japan's steelmen would strictly refrain from abruptly increasing shipments to Western European markets or offering steel products at unusually low prices.

Perhaps one of the reasons why the Japanese steel industry is cautious about discussing the mission to Britain and Western European countries is that not all of the major steel mills have completed their blue-prints for curtailing exports to the U.K. and the EEC countries.

Another reason might well be that not all of Japan's medium- and small-size steel corporations have agreed to restrict their shipments to Britain and Western Europe. It is reported in the industry that the mission might be delayed if some of the larger steel producers in this group fail to reach an agreement on this point by to-morrow night.

As the Japanese steel federation authorities see the situation, unless they can obtain the understanding of at least most of the key holdouts, tha offer to engage in orderly marketing and to raise prices of Japan's steel products may fall on deaf ears during the coming talks in Paris.

SOUTH AFRICA

Peep beyond the White curtain

BY A SPECIAL CORRESPONDENT

SURPRISINGLY little note has been taken in Britain of an unprecedented tour of Black Africa which has just been undertaken by two White South African politicians, Mrs. Helen Suzman, the South African Progressive Party's lone MP, and the party leader, Mr. Colin Eglin.

They visited six countries in Black Africa, only one of which, Malawi, is in direct dialogue with South Africa. One of the countries, Tanzania, is almost as hostile to South African liberals and progressives as it is to the Vorster Government.

In almost every case they were received by heads of state or prime ministers. They visited President Leopold Senghor of Senegal, Dr. Kofi Busia, Prime Minister of Ghana, Mr. Arap Moi, Vice-President of Kenya, President Jawara of The Gambia; President Julius Nyerere of Tanzania and President Hastings Banda of Malawi. On his way to join Mrs. Suzman in Dakar, Mr. Eglin saw President Seretse Khama of Botswana.

Strange world

The tour was a breaking out through the apartheid wall, a tentative probe by South African progressives into a strange, new world. Never before had White South African politicians, working within the framework of the South African constitution, undertaken such a tour.

Their purpose was to see whether South Africans with anti-apartheid views could travel and talk in Black Africa: to demonstrate that not all South Africans "sprout horns and sneer at Black men," and to find out whether further contacts could be made between the small and isolated South African progressive group and Africans to the north.

They also wanted to find out how African leaders viewed the prospect of dialogue with South Africa, and to put over some of their own views on the subject, which are radically different from those of Mr. John Vorster.

Before they started out Mrs. Suzman was not specially optimistic. She had absolutely no idea how they would be received, and in fact was prepared for snubs and setbacks. Her enterprise was therefore all the more courageous. It turned out to be a remarkable success, so much so that the Progressive Party is determined to follow it up with other Black Africa visits of goodwill.

Helen Suzman, of course, is celebrated inside and outside South Africa for her lone stand in Parliament against discrimination, racialism and the apartheid laws. Her fame has spread to Black Africa. Nevertheless, it is well known that her party does not stand for immediate majority rule, and in fact believes in a qualified franchise with African advancement "on merit," not dissimilar to the policy of the late Sir Edgar Whitehead's United Federal Party in Rhodesia.

Nevertheless, students of South Africa—and it astonished the Progressive tourists how much is known in Black Africa about South African politics—will know just how revolutionary such a policy is in to-day's South African scene; which is why the Progressives are regarded as anathema not only by the ruling Nationalist Party, but by the official opposition United Party as well.

Because of the delicate nature of their mission a great deal of probing and planning had to be done in advance, through embassies and high commissions, in London, Paris, Bonn and New York. Appointments with Black leaders were fixed in principle. They acquired special visas and *laissez passers*, but some were handed to them only on arriving at airports, so they never quite knew whether they were going to be allowed in. But in every case protocol officers, to their surprise, were present at airports to meet them. In many cases they were provided with official cars.

In Dakar they saw the distinguished poet-president Leopold Senghor, who gave them copies of his poems in English, invited them to a party to meet leading intellectuals and prominent Senegalese citizens, and told them his concept of dialogue with South Africa was rather to enter into dialogue with the forces of change in South Africa than talk exclusively to Mr. Vorster. It was specially important, he said, for African states to talk to White progressives.

He told them he was not anti-White South African, nor was he anti-South African, but he was strongly anti-racist.

They had planned to visit the Ivory Coast after Senegal, but found their journey mysteriously blocked somewhere along the line between Paris and Abidjan. A meeting was scheduled with President Houphouët Boigny (the man who launched the idea of "dialogue" with South Africa earlier this year at a prestigious Press conference), but this was later cancelled, and they could not even get a visa to enter the Ivory Coast.

What Mrs. Suzman and Mr. Eglin did not know was that at that very moment an official Ivoirian team visiting the Lesotho national celebrations was passing through Pretoria on its way home for "feeler" talks on dialogue with the South African Government. President Houphouët Boigny, they assumed felt that talks with a minority South African party so hostile to the Government might not be exactly tactful.

Using the time available they drove by road down to Bathurst, in the minuscule Gambia, for a talk with President Dauda Jawara, who told them he felt there was room for more talks with liberal White South Africans about how to end apartheid.

A tribute

Almost on an official level was their visit to Ghana and their long talk with Dr. Kofi Busia who saw them at Christianborg Castle. He gave them champagne, told them he accepted the principle of dialogue, but like other leaders he was studying the best ways of bringing it about. He told Mrs. Suzman he believed dialogue must be undertaken in consort with other African leaders, and that it should produce change in South Africa's race policies, all of which fitted in with the Progressive Party's own ideas on tha subject.

In Kenya, to their astonishment, the Progressive team after talks with Vice-President Arap Moi and the Attorney-General, Charles Njonjo, were treated to a remarkable demonstration in the National Assembly. Invited to attend question time the Speaker suspended proceedings to read out a tribute to their anti-apartheid stand, to the accompaniment of thumped desks and stamping feet.

A phone call from Nairobi to Dar-es-Salaam established that President Julius Nyerere would see them. In fact he had nearly two-hours of talks with them in which he told them he was strongly against dialogue unless there was a firm South African advance commitment to bring about an end to apartheid.

But their presence in Dar-es-Salaam was hotly resented by the South African exile groups, one of which described them in a statement as "grinning friends in the enemy camp," who belonged to "the liberal faith and stand for merchant democracy." An editorial in the ruling party paper The Nationalist reminded them that all those who truly fought against racism and apartheid were either on trial, in gaol, or in exile.

Elsewhere they had an astonishingly warm Press as objects of great curiosity. It was almost as though they had come from another world, which, in a sense, they had.

Summing up at the end of the tour Mrs. Suzman said one theme was repeated to them everywhere: that most Africans now recognised the historic right of White South Africans to remain in South Africa, and that the pan-Africanist war was not against White South Africans as such but against South African racism. Most leaders they talked to were looking for a peaceful way to end apartheid, and most believed that dialogue must be accompanied by radical moves towards internal change.

The first development from the tour in South Africa will be a move by Mr. Eglin to launch an "Africa contacts" scheme, whereby young White progressives will be able to spend some time at African universities and other institutions to discuss with Africans ways and means of breaking down the race barriers in a peaceful fashion. He hopes it will be possible to invite Africans from Black states to visit South Africa.

DECCA LIMITED

Increased profits anticipated in current year

" . . . each division is expected to make a major contribution "

Sir Edward Lewis (Chairman)

The 41st Annual General Meeting of Decca Limited was held on November 1 at Winchester House, 100 Old Broad Street, London, E.C.2. Sir Edward Lewis (the Chairman), who presided, said:—

After the previous year's record results it is disappointing to have to report reduced profits for the year to 31st March 1971.

Group Turnover improved by 9% to £66,700,000. Overseas turnover, including direct exports, showed a marginal reduction at £38,400,000. Exports were maintained at £16,400,000, representing 37% of the U.K. companies' turnover, against 43% for the previous year.

In the Consolidated Profit and Loss Account, the balance from trading account amounted to £7,247,000 against £9,241,000 the previous year. Group profit, after charges for depreciation, interest etc., which increased by £341,000 were £3,004,000 against £5,339,000. Taxation absorbed £1,164,000 against £2,569,000 leaving, after exceptional items of £267,000, a net profit of £1,548,000.

We are recommending a final dividend of 6.1666p per share, making a total of 9.1666p per share, the same as last year (1/10d).

The Consolidated Balance Sheet sets out the position of the company and its subsidiaries as at 31st March 1971. Fixed assets are £13,880,000, a reduction of £196,000. Current assets, including cash £2,477,000, stocks and work in progress £20,787,000 and debtors £26,823,000 total £50,088,000, which exceeds current liabilities by £22,120,000. Bank loans and overdrafts total £9,777,000, against £7,010,000 at March 1970.

Difficult conditions in the U.S.A. record industry and, to a lesser extent, in Canada, contributed to a substantial decline in turnover in North America during the second half of the year and to a sharp decline in profits.

Costs of international exploitation of navigational equipment for airlines, particularly in the U.S.A., have been the main reason for inadequate profits of the Navigator activities in recent years.

Production problems affecting the output of radar became apparent towards the end of the year, when an extensive programme of action was initiated. Increased output and higher efficiency are being obtained and the full benefits of the reorganisation will materialise in 1972-3.

As the result of a major improvement in sales of colour television and audio equipment with lower production costs, the radio and television division was operating at a profit by the end of the year.

Records

Turnover and profits by the record division in this country showed an increase on the year, with direct exports fully maintained. The contracts with The Rolling Stones ended during the summer of 1970, with efforts to reach a mutually acceptable basis for a new agreement proving abortive. It should be noted that we retain all rights to recordings under the expired contracts.

Distribution in the U.S.A. became increasingly difficult, adverse trading conditions and a lack of liquidity in the wholesale and retail outlets resulting in exceptionally heavy returns of records during the second half of the year. Furthermore, changes in distribution in some areas necessitated the repurchase of substantial quantities of records, provision for which has been made in the accounts under review.

During the last few years, pirating of records and, to a greater extent, of tapes, has been rampant in the U.S. We are glad to say a Bill has now been signed by President Nixon which becomes effective in four months time. This will make all unauthorised duplications of original records and tapes a Federal offence and it will be also an offence knowingly to sell a duplicated copy. All possible steps are being taken to counter similar problems in the Far East which have been causing increasing concern.

Record business in Canada also suffered from poor trading conditions and special factors affecting record sales, though on a lesser scale than in the U.S., with a resultant reduction in profits. Teldec in Germany had its best year since the formation of the company twenty-one years ago.

The records of Tom Jones, Engelbert Humperdinck and the Moody Blues have continued to sell in volume on a world wide basis.

Active steps were taken to exploit the MAM label, which has already been responsible for the launching of a new star in the recording field, Gilbert O'Sullivan.

We have recently concluded deals, under which we have world-wide distribution rights with Chapter One, Greenwich Gramophone and York labels, the two former being owned by Les Reed, the well-known composer of popular music and the latter by Yorkshire Television.

We were very pleased that Georg Solti, who has recorded for us for 25 years, received an honorary K.B.E. in the Queen's Birthday Honours List. He has recently completed his cycle of Mahler Symphonies with the 8th Symphony, for which the Chicago Symphony Orchestra came to Vienna. Solti's recording of the Magic Flute with the Vienna Philharmonic Orchestra and, with the same orchestra, recordings of Tannhauser under Solti and of Boris Godunov under von Karajan were amongst our major recordings of the year. Other important recordings included Les Huguenots with Joan Sutherland and Beethoven's Egmont under the late George Szell. Owen Wingrave, Benjamin Britten's first opera on television, was recorded and also his Rape of Lucretia, both under his direction.

Profits from music publishing increased, reaching six figures for the first time. Sales of pre-recorded cassettes and cartridges continued to grow, though still representing a small percentage of total output.

Last year I referred to the notable development by Teldec, Decca and AEG-Telefunken, of the world's first Video Disc system. At that time successful public demonstrations had been given of black and white pictures shown on the screen of a normal television receiver. The system was demonstrated in colour for the first time at the Berlin International Radio and Television Exhibition in August of this year. These demonstrations have stimulated active interest from potential licencees, programme producers, and user organisations on a world basis. It is generally considered by independent and authoritative observers that the Video Disc offers the simplest and cheapest method of providing pre-recorded audio-vision programmes for the mass consumer market.

We hope that it will be possible to market the Video Disc system in the U.K. during the year 1973/74.

Navigator

Installation of Decca Navigator marine receivers continues to expand despite delayed deliveries of our latest and most sophisticated solid state receivers. These receivers have, however, been in production since the beginning of the current financial year and substantial deliveries are now being made.

Three new main transmitting chains were brought into operation along the South Africa coast and others in Japan, Finland and covering the Southern Baltic. More recently the equipment for the Europort, Rotterdam chain has been delivered. A contract has been signed for the setting up of a Decca Navigator Chain in Ireland.

Sales of our marine autopilots have increased. In the U.K., 120 out of 189 ships over two thousand tons, building for British owners, fit our equipment and orders for autopilots for six 350,000 ton super-tankers for Gulf Oil, building in Spain, have been received. We have recently introduced a smaller unit, packaged for the medium ship, and this high quality budget priced unit should find a ready market for fishing vessels and work-boats.

Our Survey business has continued to expand on a world-wide basis. We were gratified to receive The Queen's Award to Industry for Technological Innovation for the basic concept of Hi-Fix one of the company's most outstanding survey systems. Major hydrographic surveying contracts are being executed for Nigerian Ports Authorities, Shell in Brunei and in the Middle East. We now have overseas survey subsidiaries in U.S.A., Australia, West Africa, Japan and Singapore. We are deeply involved in "Hysurch," a U.S. Government fully automated hydrographic system. There has been a sharp reduction recently in the placing of U.S. Government orders in the survey field, including the suspension of the fireant pest control programme for which we provided the aircraft guidance. A temporary reduction has accordingly been made in the personnel of our U.S. survey subsidiary.

In the aviation field we continue to make important sales of the Decca Navigator System and of Doppler and Loran equipment, particularly for military applications at home and overseas.

In order to improve our profits we are concentrating our efforts on product lines and markets promising an adequate return and on the reduction, wherever practicable, of expenses. Our reorganisation is well advanced with new marketing policies being followed. Changes take time to prove effective but, already, good results are being shown.

The operation of the New York Chain, which was set up some fifteen years ago under an FAA licence as an aid to the helicopter operations of New York Airways, has now ceased, since there is no longer an air requirement. Proposed new and onerous Coast Guard conditions made its relocation as a marine service impracticable. If the U.S. Government decides to implement at a later date plans for a navigational system covering the entire U.S. coast line, it is possible that the Decca Navigator System may be selected for this purpose.

The fitting of the Eastern Airline shuttle fleet with Decca Omnitrac equipment has now been completed, with encouraging operational results and expectations that the projected savings in flight time will be achieved. Substantial contracts have been obtained from the U.S. Coast Guards and Air Force for Loran C.

With the clearance of problems associated with Rolls-Royce and Lockheed, the 101 TriStar programme is in full swing again and it is expected that a number of Mona Navigational systems, the joint development of Decca and Ambac, will be supplied to Lockheed during the next few years.

New products include internationally accepted aids such as a solid state Non Directional Beacon, for which substantial orders have already been received for the U.K. and from overseas. We have secured sales and manufacturing licences for ground Instrument Landing System equipment from the Thomson C.S.F. company in France.

In the face of strong competition and following extensive environmental testing by the U.K., French and Swedish Governments, our Doppler equipment was chosen by the Royal Air Force for the "V" Force and Shackleton aircraft, by the Royal Swedish Air Force for the SAAB Viggen and, more recently, by the Royal Swedish Navy for new K.V. 107 helicopters. In addition, our equipment, built under licence in France by Electronique Marcel Dassault, is in course of delivery for the French Air Force and Navy Jaguar planes.

Our helicopter Doppler navigation system, which includes our newly developed Tans computer, has been selected for the Lynx helicopter presently being developed for the Royal Navy and Army.

Radar

Our leadership in marine radar is maintained and new designs have achieved wide acceptance. This year, we received The Queen's Award to Industry for technological innovation in solid state marine radar and in doppler radar velocity sensors for helicopters and fixed wing aircraft. Deliveries are now being made of big ship 10 cm equipment, and solid state 3 cm radars for medium and small ships and river vessels.

The sale of the company's successful Transar range of 3 cm radar for larger vessels continues at a satisfactory level. The simple and reliable anti-collision radar, which we introduced three years ago, is taking a significant share of the world's business in first class tonnage. Radars especially designed for yachts and work boats continue in high demand. An order was received recently from Esso for dual installation radars for 19 new buildings and replacement radars for five tankers to the total value of about £300,000. We have maintained our position as market leaders in the supply of harbour radar systems.

Orders for Decca Isis equipment, providing centralised surveillance of ships machinery and cargo systems, include systems for ships of the new tanker fleet now on order for B.P. and for three large container ships on order by Ben Line. The first Isis installation in Japan was completed on board the 215,000 ton B.P. tanker the 'British Pioneer.'

Following the successful installation of our Airfield Surface Movement Indicator radar at Orly, Paris, at the end of last year, we have good prospects of further orders for this advanced equipment, which presents the finest radar picture of aircraft movement on the ground.

Further contracts of substantial value have been received for the radar system which we developed for the British Aircraft Corporation's Rapier missile system, covering requirements for both H.M. Government and overseas countries. Delivery of equipments against our main production contracts commenced this year, the present programme providing for increased deliveries in 1972.

Our Hersham and Davis Road laboratories continue to be engaged on research and development contracts for H.M. Government over a wide area of application. Investment in private venture research and development is continuing at a high level to keep our products in the forefront of modern design and to maintain and improve our position against strong international competition.

Our Setpoint subsidiary, manufacturers of electronic industrial control equipment, is engaged in executing the important contract for the materials quantity control system for British Steel Corporation's new steel making plant at Scunthorpe, and in the supply of specialised products for the steel industry in the U.K. and overseas.

Current Year

Fluctuations in exchange rates and import surcharges are factors which affect all companies such as ours engaged in international trade. It is not anticipated that the U.S. and Danish surcharges will have a significant effect on our margins.

Sales of records in the U.S. have been at a reduced level for the first half of the current year, resulting in a substantial reduction in profits. The results of the second half should show an improvement on the comparable period last year. In the home market, record sales have been maintained at a satisfactory level.

During the last few months sales of colour television have improved sharply. As a result of the continuing high demand for television and audio equipment, the profits now being earned in this division are becoming of increasing significance in relation to the group as a whole.

The Navigator and Radar companies are showing much improved results.

Group profits for the first six months should be maintained at about the level of the comparable period last year and, subject to no unforeseen developments, we look for a satisfactory increase for the full year, to which each division is expected to make a major contribution.

It is my pleasure to express, on your behalf, our sincere thanks to all who work in Decca at home and abroad for their devoted efforts on which the health and prosperity of the group so much depends.

The proceedings terminated with a hearty vote of thanks to the Chairman, Directors and all who work in Decca. At the conclusion of the meeting a demonstration of the Teldec Vidio Disc System was given and received an enthusiastic reception.

SUMMARY OF CONSOLIDATED RESULTS— YEARS ENDED 31st MARCH

	Turnover £	Depreciation £	Profits before Tax £	Profits after Tax & Minority Interests £	Profits Retained after Tax £	Preference Shares Dividends £	Ordinary and "A" Ordinary Shares: Dividends £	Number ranking	Dividends Per Share before Tax
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1971	66,700,000	1,707,128	3,003,504	1,548,102	[illegible]	[illegible]	[illegible]	[illegible]	9.1666p. (1/10d.)

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CONCRETE SLAB RECORD CLAIM

What is believed to be a record schedule for laying a solid concrete slab of 1,039 cu. yds. took place at Ruislip, Middlesex, yesterday. The complete operation took under 17 hours.

Alfred Robinson (Builders and Contractors), of the Bardolin Group, is to build a 12-storey block of flats on the site.

A team of 19 operatives were supported by a continual delivery of concrete from Misconcrete, which came from two sources of supply.

NORTH SEA OIL

Aberdeen awaits the boom

Andrew Hargrave describes the rush to provide supplies and services for the oil exploration companies, and the hoped-for prosperity which awaits Aberdeen

WHEN executives of British Petroleum had their first get-together with the Aberdeen business community a year ago, the reception was cordial but cautious. Aberdonians are hard and canny people who prefer to adopt a wait-and-see attitude where risks are considerable, such as they are in the expensive business of oil exploration. BP could not say for sure how significant its oil strike about 110 miles off the city in the North Sea would be, or even whether it would be worth tapping.

Land line

A lot has, of course, happened in that intervening year, including BP's recent announcement about laying an underwater pipeline to Cruden Bay, near Peterhead, and the plans to take the oil from there in a 140-mile land line to its refinery at Grangemouth. Even in Aberdeen, not many would doubt that the boom is just around the corner.

Among the handful of Aberdonians who got off to a flying start is Mr. James Simpson, until recently assistant general manager and secretary of a local whisky company. He had for some years been anxious to have his own business and had, in partnership with the general manager, Mr. Arthur White, been running a small company lending out vending and fruit machines to pubs.

Although he knew no more about oil exploration than he has learnt from a life-long friend who happens to be a geophysicist, he soon realised that a host of services would be required by the exploration companies and their suppliers. So he set about providing them early this year through the Aberdeen Service Company of which he is sole owner.

Mr. Simpson may have known little about oil, but having been in the liquor trade, he knew about bonded warehouses. So he began to look for warehouse space along the quayside to store vital materials and equipment needed for oil drilling. As luck would have it, the whisky company sold out to Allied Breweries, leaving the warehouse vacant to be first leased and then bought by Mr. Simpson. He soon acquired further space by buying two adjacent coal warehouses and by leasing a third one. To-day Mr. Simpson has about 130,000 square feet of space for warehousing and other purposes and is looking for more.

Storing raw materials such as drilling muds, cement and chemicals did not satisfy Mr. Simpson's ambition for long. He is now also acting as agent for the companies selling them. Some of the warehouse space has been converted into whole floors of offices, and he has even undertaken to build a factory for the oil exploration specialists, Schlumberger's, at Dyce Airport, near Aberdeen.

Oil explorers as well as suppliers need office staff, skilled mechanics and casual labourers, transport, plant and other equipment, and spares on a permanent or temporary basis. So Mr. Simpson decided to meet these needs from his own resources.

Self-financing

So far his operations have been self-financing, and the fruit and vending machine hire company as well as two pubs he has acquired recently with Mr. White (with a further two under negotiation) have helped to finance his rapid expansion. The time is fast approaching, however, to seek a substantial bank loan and, as the oil boom is gaining momentum, he is not likely to have any difficulty in securing it.

Other Aberdeen business people have been slower on the uptake, but the signs are that they are rising quickly to the challenge, which is expected to reach its first peak in two or three years' time when the oil begins to flow in commercial quantities from BP's Forties' Field as well as from others (including Shell, Amoco, Total, Hamilton Brothers, Continental Oil, etc.).

Local shipping and forwarding agents, caterers and car hirers were among the first to take up the challenge: but the two local shipyards, Hall Russell and John Lewis and Sons, are now doing maintenance and repair work on service boats and a couple of engineering companies are seriously considering going into the oil tool business.

Aberdeen Harbour Board, no doubt taken aback by BP's decision to have its oil rig supply boats serviced in Dundee, last month decided to make its basin non-tidal, providing 24-hour access to the boats, at a cost of £1.5m.

Apart from local interests there has been a considerable influx in the past few months from the outside, particularly from Great Yarmouth, with the suppliers and servicers of natural gas explorers moving house to North-East Scotland. The latest count mentions 58 companies now operating in the area, with a further 15 coming in the near future, as well as between 50 and 60 seriously considering such a move.

Already about 700 people are employed directly by oil exploration companies and their services in Aberdeen itself, with the numbers likely to rise to over 1,000 by the end of the year and to a possible 3,000 or more in 1973—as many as all the people at present unemployed in the city, whose jobless rate is below the U.K. average.

However, there will be plenty more work to go round when the oil strike really gets into its stride. At present only five rigs are at work in the North Sea, with a sixth under repair. Within the next couple of years the expectation is for 20 to 30 rigs and production platforms operating in the area, each requiring shore-services costing an estimated £1m. a year.

In addition, the laying of BP's 140-mile land pipeline from Cruden Bay, near Peterhead, to the company's Grangemouth refinery will also have begun. Other oil explorers may singly or in combination also require pipelines. This would provide plenty of work for local contractors of which the Aberdeen Construction Company is the largest in the area.

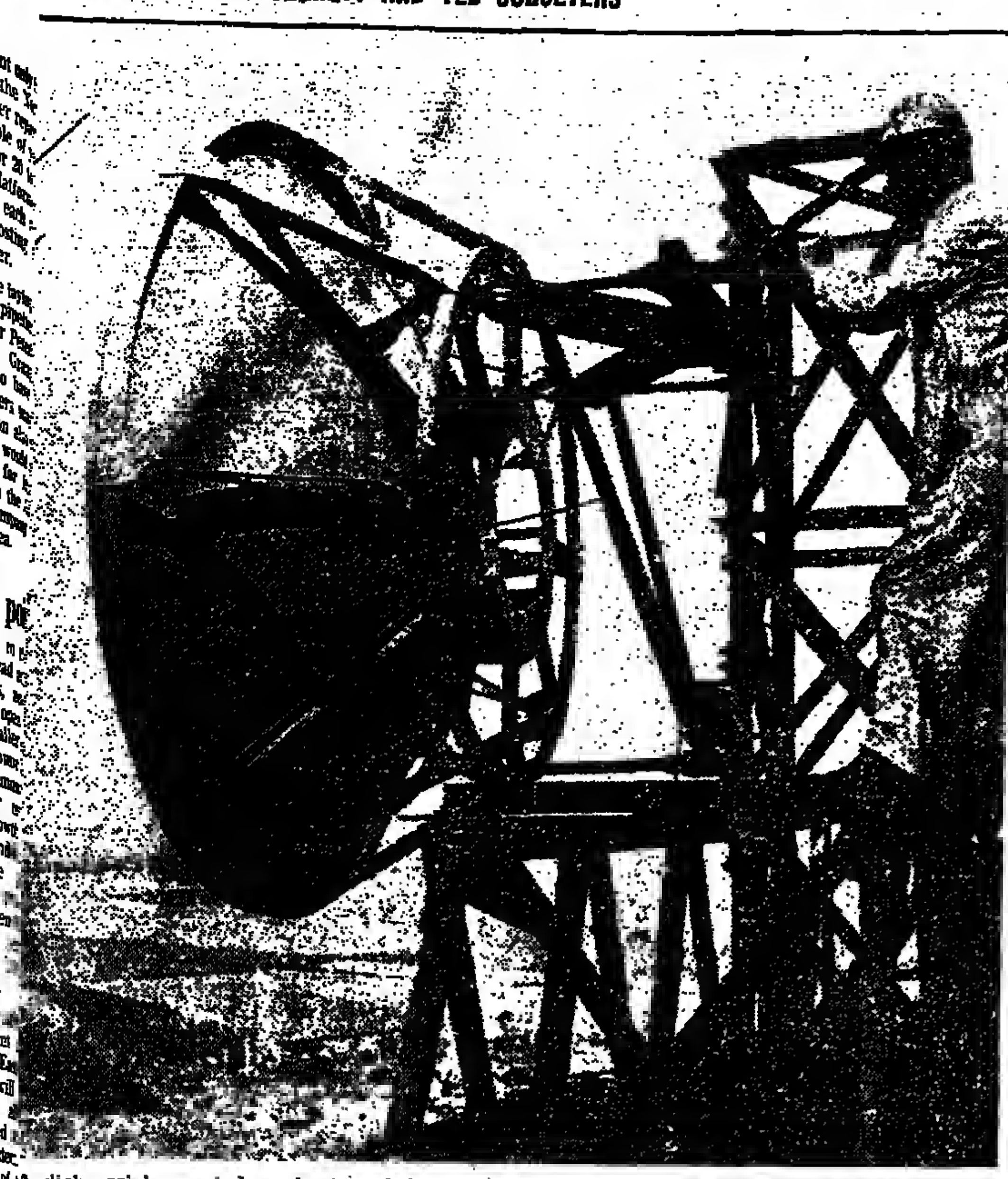
Growth point

Further north, in the Moray Firth, at Peterhead and in the Shetland Islands, new opportunities will open which, although on a smaller scale, will be of great economic benefit to the local communities. At Invergordon, for instance, a Highlands "growth point," plans by Brown and Root (U.K.) to build large production platforms could produce anything from between 60 to 1,100 jobs. There are reports of a second company interested in a similar project.

No oil man would dare to forecast the extent and duration of the North-East oil strike—whether it will produce quarter, half or all the oil Britain is expected to need by the end of the decade. But already the city of Aberdeen, with little outward change, has begun to take note. The economy of the region, based for so long on fishing, paper, textiles and other staple industries, is certain to change dramatically in the next few years. The North Sea strike will leave its mark long after the last well is drained of its precious liquid.

The Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS



A dish aerial mounted on the top of the 650 feet chimney at CEGB's 2,000 MW power station at Kingsnorth in Kent. The aerial is part of a micro-wave radio link for the three terminals of the Kingsnorth/Beddington/Willesden dc transmission scheme scheduled to come into operation early in 1972. The micro-wave radio link will provide fast control signals for operating the dc link. Prime contractors for the link were STC.

● COMPUTERS

RCA in new venture

RCA has been selected by NASA, the U.S. space agency, to develop a test model of a space computer that would be 100 times smaller and lighter than equivalent commercial systems. The microprocessor could be the forerunner of a system for future manned and unmanned space vehicles such as the Space Shuttle and the Earth Orbiting Space Station.

The shuttle is a reusable craft that will take off like a rocket and land like an airplane. The space station would be a permanent orbiting laboratory able to accommodate a contingent of scientists.

Heart of the computer under development by RCA will be 15 large-scale integrated (LSI) arrays—one-eighth-inch square chips each containing up to 600 electronic elements. Although the computer will weigh just 10 pounds, occupy one-half cubic foot and require only 15 watts of power, it will be capable of processing functions equivalent to room-size commercial computers.

RCA is developing the SUMC demonstration model under a $587,000 contract from NASA's Marshall Space Flight Center, Huntsville, Ala. It is one of several continuing computer systems projects under way in the company's Government and Commercial Systems group.

System Ten on the way

FRIDEN Division of Singer has installed System Ten computers at Kendal Computer Book-keeping Service and Medical and Biological Instrumentation (MBI) of Ashford, Kent.

These two installations amount to a total value of £63,000. At Kendal, the System Ten configuration consists of a 20K core central processor, two disc drives and two work stations. The service includes sales accounts, purchase accounts, nominal and private ledger accounts and payroll. From these accounts, a draft trading, profit and loss and balance sheets can be prepared instantly. In addition, both sales and purchases can be analysed in different categories such as area and product.

System Ten at MBI consists of a 20K core central processor, a works station and a disc drive.

A further nine System Ten computers with a total value of £330,000, will be installed by the Friden Division of Singer before the end of 1971.

Storing a huge file

THE General Nursing Council for England and Wales is to transfer its records of 600,000 qualified nurses and 120,000 nurses in training from the existing 12,000-cubic-foot Kardex filing system into only two foolscap size folders, using the technique known as Micromation, or COM (Computer Output to Microfilm).

This technique enables computer records contained on magnetic tape to be converted or directly printed on to microfilm cards measuring 6 x 4 inches. The equivalent computer printed record will be reduced in size by 42 times, thereby enabling each microfiche to hold about 4,000 records. Also by means of the computer techniques being user, a nurse's record will be processed from initial entry to training through to final qualification, and subsequently amended as necessary. This will streamline the Council's updating operations, and reduce the effort required.

The contents of the 10,000 card trays of qualified nurse records will be transferred to about 160 microfilm cards which will then be held in a special foolscap folder for easy access. These records contain statutory details of nurses who have qualified at training schools in England and Wales, and of nurses trained in other countries whose training has been recognised by this Council.

In the spring of 1970 the Council asked Price Waterhouse Associates, the international firm of management consultants, to examine the existing system and advise whether any improvements could be made. The consultants recommended the use of computer techniques with microfilm as the output medium in order that the Council might reduce its space requirements and its operating costs, and as a means of bringing its records more speedily up-to-date.

The system has been specified by Price Waterhouse Associates and will be developed over the next two years by Singer Information Services Company which will maintain and update these records at its Guildford centre.

Slaco has indicated that the value of the contract is of the order of £250,000.

● TRANSPORT

Transfers the load

NEARLY all single-drive tandem bogies on British heavy chassis can be equipped with an air-operated load transfer device developed by York Trailer Company. It is designed to suit any chassis whose driving axle is symmetrical above and below the half-shafts.

Each unit is tailored to the axle beam and chassis configuration. Individual chassis characteristics have been allowed for by manufacturing and fitting units at York's specialised truck equipment division factory branches, where operators are able to bring their vehicles for purpose-built attachments to be incorporated.

Air from the vehicle's brake system is harnessed to provide the power needed to transfer weight from the trailing to the driven axle of the bogie. To protect the secondary brake circuit against leakages in the load transfer system a tapping normally is made into the auxiliary line via a balance valve. Pressure in the brake line cannot fall below 65 p.s.i.

Normal supply pressure to the device is 90 p.s.i. Air is fed to a pair of 9-inch diameter Firestone Airide double-convolute rubber bellows. These are interposed between an additional channel-section chassis crossmember immediately above the driving axle, and a saddle bracket mounted on the axle casing.

Up to 2½ tons of the bogie's total loading can be transferred on to the axle providing the traction. On a four-spring suspension with equal rocker beams this represents as much as a 15 per cent. weight transfer on a fully-laden vehicle. In all cases the loading conforms to the manufacturer's static axle loading design limitations.

Collection of milk from farms had been hindered by lack of traction on poor tracks, which also led to excessive tyre wear caused by scrub on the drive axle covers. This necessitated tyre replacement on the bogie after only 4-6 weeks. Harsh oscillation of the suspension over rough surfaces also resulted in a high incidence of U-bolt and spring breakages particularly on the driving axle.

Installation of the load transfer unit has had the effect of extending the period between tyre replacements to around six months. At the same time suspension failures have been eliminated by the damping effect of the device. The company's drivers normally operate the small selector switch in the cab as soon as they move from hard roads on to unmade surfaces.

● AUTOMATION

Analog process controller

THREE-TERM analog process controller which can be linked with a digital computer has been introduced in the U.K.

Although each installation would be "tailor-made" a standard control panel would probably incorporate an annunciator panel, several banks of process controllers, a six channel recorder using a 12-inch chart, and a built-in power pack.

Each process controller has a front presentation 6 inches high by 1 inch wide containing pointers indicating the process variable and the control valve position, and is equipped with set-point wheels and a switch control for bumpless automatic/manual changeover. Controls are fitted for the three terms, and for remote/local setpoint, valve operation, valve meter reversing, and for multiplying the reset and proportionate hand settings by ten, giving wide control.

Standard cases are available to house 4, 6 and 12 control instruments; all the instruments in the range have identical plug and socket wiring at the back irrespective of their function, allowing any instrument to be fitted into any case channel. The terminal strip at each channel back is standardised, and in a matter of minutes, says the maker, after a decision has been taken to change the function of any case channel, the appropriate instrument can be fitted to the channel and plugged in, the appropriate case-back terminals pushfit connected to the required field wiring and the process is on control.

The instrument range embodies integrated circuits, and the maker claims that this results in less than one-third of the components required in similar equipment (or one-sixth of the usual number of soldered joints which could cause trouble).

The controller is made by Fisher Process Equipment, St. Faith's Street, Maidstone, Kent, who states that the equipment is to be installed in three major chemical works in this country.

● By agreement between the Financial Times and the BBC, information from The Technical Page is available for use by the Corporation's External Services as source material for its overseas broadcasts.

● METALWORKING

Portable X-ray unit

AN AUTOMATIC, self-contained x-ray unit designed to permit an unskilled operator to produce instant, high quality radiographs, is available from Field Emission U.K., New Barnet, Herts. The unit is compact, transportable, and does not need a lead-lined room for operation.

Applications include detection of defects in welds, castings and small intricate devices; checking faults such as misalignment, inclusions, missing elements and poor fabrication in printed circuits, micro-logic elements, contacts, relays, resistors, encapsulated components, moulded cables and connectors, examination of fine bore capillaries, bi-metal products, control instruments, quality control; batch inspection and production method studies.

Equipped with automatic exposure control the unit has an adjustable voltage source from 10 to 110 kV peak with 3mA current, ensuring good contrast over a range of object thicknesses and densities. Units can be supplied for operation up to 130 kV peak to radiograph through ½ inch steel plate or equivalent. Maximum definition and resolution is provided by the small X-ray source size of 0.5mm. A thin beryllium window on the X-ray tube transmits soft X-rays for radiographs of thin objects with minimum attenuation. A fluoroscopic accessory can be provided for visual inspection and attachments are available for flowline inspection techniques. The unit operates from a standard electric mains supply.

High definition radiographic prints can be produced in seconds using Polaroid film or standard wet film and casettes can be used up to 14 inches x 17 inches in size. The object to be examined is laid on the film, placed on a shelf in the unit and the door closed. A meter indicates the correct voltage setting and an automatic control terminates the exposure after the correct time lapse. A step control adjusts the exposure to cater for different film speeds and an exposure fine control allows specific films to be exposed to give a lighter or darker image.

The cabinet is constructed of steel and operator safety is ensured by internal lead shielding and two tamperproof door-actuated interlocks which disconnect the radiation source. A key-operated on/off switch prevents unauthorised operation. Overall dimensions of the unit are approximately 35 inches high x 22 inches wide x 20 inches deep.

Versatile machine tool

THE NEW Series 11 Bridgeport machine tool has a table size of 58 inches x 11 inches and a four h.p. milling, drilling and boring head capable of swivelling in two planes carried on a sliding ram mounted on a swivelling turret on top of the column. The machine can be equipped with power feed to the table, knee and cross-slide, as well as power feed to the quill.

Special features include automatic lubrication of all slideways and leadscrews with a provision that when the oil reservoir is empty the machine cannot be operated.

A feature is that the leadscrews are positioned in relation to the relevant slideways so that the line of thrust coincides as nearly as possible with the line of resistance.

The machine complete with its four h.p. head weighs 4,750 lbs. An infinitely variable speed range from 50 to 3,500 r.p.m. is available in two steps. All feed rates are infinitely variable. The quill travel is 5in. and can be power operated in both directions.

The milling head has reverse air flow cooling, which keeps it within 20 degrees of ambient temperature to give longer belt, bearing and lubrication life, as well as reducing the effects of thermal expansion on machining accuracy.

All bearings are grease packed and require no additional lubrication.

The machine can be made available with point to point numerical control; continuous path numerical control; synchro-trace equipment providing hydraulic copying for die sinking and mould making; control path equipment, giving hydraulic copying in the horizontal plane, for 360 degrees profiling and contouring, but able to operate three-dimensionally; or giving automatic line tracing enabling parts to be produced directly from a drawing with ±0.001 inches of the drawing.

Agents for the machine in this country are Adcock and Shipley, Forest Road, Leicester LE5 0FJ.

Powerful wet sand blast

WET sand blasting at up to 8,000 psi can be performed with an equipment just put on the market by Kina Engineering of Hadleigh, Suffolk.

Sand is drawn into a high pressure water supply, mixed and blasted out within the water jet to provide, it is claimed, a fast, efficient and effective method of cleaning. The company also states that the down time of expensive machinery for cleaning can in some cases be reduced to one tenth of the time previously taken.

At 8,000 psi it is claimed that almost any deposit, contamination, rust, pollution or corrosion can be removed from metal or other surfaces. The system also has the advantage that there is no atmospheric pollution by fine sand.

Hopper engine repaired

WHEN a Clyde Port Authority hopper was taken out of service for minor repairs, cracks were discovered in both the port and starboard sides of the high-pressure cylinder of its twin-screw triple expansion engine.

Because of insulation the fracture on the port side of the cylinder was not noticed until it became evident that a normal vacuum was not being registered when the engine was tested. The crack was repaired, and when the hydraulics were tested the other fracture in the starboard side was found. The fractures measured 18 and 12 inches respectively and were 1½ inches deep.

The hopper was built at Wm. Simons' yard at Renfrew which shut down about 10 years ago and it is unlikely that the Clyde Port Authority would have gone to the expense of having a new pattern and a casting made and machined—estimated cost £11,000 plus another £6,000 for stripping down and fitting.

In fact, the cylinder was repaired for less than £100 and the hopper is back in service.

The repair involved drilling a series of holes at right angles to the fractures. Keys made of a special alloy were inserted in layers by a pneumatic hand tool until the depth of the parent metal was filled. To give a total seal, a further series of apertures was drilled along the line of the fractures into which alloy studs were inserted to provide a rigid and pressure-tight repair. The whole repair was carried out "cold."

The special alloy keys and studs were supplied and the repair carried out by engineers from Metalock, Wates Way, Mitcham, Surrey.

Big slide bearing

LARGE sliding movements in piping, duct work and similar kinds of equipment can be dealt with by a new range of pipe support bearings announced recently by the Glacier Metal Company, of Alperton, Middlesex.

Designed by Glacier's structural bearings department, the system has low frictional resistance in the plane of movement which is maintained by the use of polished stainless steel and Glacier DZ (PTFE) bearing surfaces.

At the same time the company announced that it has won contracts for its type PC bearings for the mile-long pipe run at Esso's Milford Haven pipe jetty.

Cleans dies without scratching

KNITTED copper gauze is now available for cleaning dies or any steel part. The soft copper is said to ensure that the steel is not scratched or worn.

The material is knitted into a circular sleeve, 5 inches in diameter, from flat copper wires, 0.002 by 0.019 inches. A length of the gauze is cut from the roll and used to scrub the surface of the part to be cleaned. A properly shaped part can be cleaned by pulling the strip back and forth over it in a shoe-shining motion.

The knit is open and resilient, having both strength and flexibility, says Metex Corp. of 970, New Durham Road, Edison, N.J., U.S. Unlike woven wire products, it is not stiff and its wire loops are not likely to splinter as are the straight wires in woven metal.

The rectangular wires in the gauze keep a scraping edge always exposed, the company says. When worn, the sleeve can be turned inside out to give a fresh edge.

● ELECTRONICS

Displays letters and numbers

GALLIUM arsenide phosphide light emitting diodes are used in a display that will indicate 14 distinct letters as well as the numbers 0 to 9, just announced by Monsanto Chemicals, of 10 to 18, Victoria Street, London, S.W.1.

The display utilises a 0.27 inch high character made from eight diffused planer segments. The eighth segment is in two parts placed to make it easy to distinguish between letters and decimals. The array is housed in a 14-pin dual in-line package and has a red lens to provide a good contrast ratio.

The display is available from Monsanto's two special products distributors in the U.K.: Semi-comps, of 5, Northfield Estate, Beresford Avenue, Wembley, Middlesex, and Semiconductor Specialists (U.K.), of Premier House, Fairfield Road, West Drayton, Middlesex.

Miniature solenoid

THE first model of a new range of miniature solenoids has been put on the market by Westool of Bishop Auckland, Co. Durham.

Called the D5, it features a rectangular box frame construction. Both frame and plungers have a corrosion resistant finish and the coil is encapsulated to protect it against humidity and fluids. Insulation is to BS2757 class E, permitting a maximum temperature rise of 80 deg. C above a 30 deg. ambient.

Both ac and dc versions of the D5 are available in the following voltages: 24, 110, 220, 240 50 Hz, 110V 60Hz, and 12, 24V dc. The solenoids can be supplied for continuous or for intermittent rating. Maximum stroke of the plunger is 24mm (0.96 inch). Overall dimensions with the plunger seated are 65 x 38 x 47 mm (2.56 x 1.50 x 1.85 inch), weight 275g.

Car men confident 'now brakes are off'

THE British motor industry was confident now that "the breakes are off," Mr. Gilbert Hunt, managing director and chief executive officer of Chrysler U.K., said in Turin last night.

"This year, our home market bas been freed from most of the Government-applied shackles which so restricted our impact at bome and abroad over recent years." be commented.

"Now that we ere free to get on with our business as real competitors, as much among our own companies as with the very spirited opposition we see from your country and others, we can be confident in our optimistic plans for the remainder of the '70s and beyond."

Mr. Hunt, a vice-president of the Society of Motor Manufecturers ad Traders, was speaking at a British motor industry Press reception prior to the Turin International Motor Sbow which opens to-morrow.

"Already this year, U.K. car production has risen hy 7 per cent. against 1970," he said. "Our home market will this year pass the 1 2m. mark for the first time ever, and export production will move up from 723,000 last year to near 760,000 in 1971."

Important

Mr. Hunt added: "Undoubtedly the two most important factors during 1971 whicb will bave e beneficial effect on our motor industry are the British Government's Industrial Relations Act whicb we are sure will go a very long way towards bringing greater industrial stability to our plants, and the decision to enter the European Economic Community.

"We in the motor industry were among the first to recognise the logic of the Community and the long-term necessity for Britain to play its part in this great free market. We know also that we can contribute and gain greatly in the years to come.

"It is disappointing that some segments of our population have even now not grasped the full meaning of market membership.

"As industrialists and leaders of our country's biggest manufecturing industry, however, we are sure that the benefits of our partnership with our nearest neigbbours will soon become evident, and dispel the remaining doubts of this minority."

Golden Egg properties to be hotel

By Arthur Sandles

GOLDEN EGG is converting its recently ecquired King's Road, London, properties into a small, de luxe botel development. Club Dell Aretusa, plus surrounding properties, will become the Aretusa Hotel, e £500,000 project whicb will retain the club.

The Golden Egg project, Mr. John Bosman, Golden Egg's joint managing director, told me last night, might involve closure of the club for a few weeks. "We will try to keep it as short es possible." The company bought Dell Aretusa from Alvaro Maccioni and Lauro Resto in the summer of last year for £205,000 in a mixture of cash and shares.

The botel will heve 40 rooms and thus be added to the 2,000-plus rooms which the company is to open in Central London over the next year or so. Mr. Bosman has mede it clear be has no intention of indulging in investments outside the city ceotre.

Apart from the recent rash of direct botel investments—including the management contract for the new Selfridges Hotel in London's Oxford Street—Golden Egg bought five Scottisb city-centre hotels two weeks ago from Mr. Gordon Currie's Clydesdale and Commonwealth hotel group.

Alfa Romeo's new Alfasud.

New mass-market Alfa

BY JAMES ENSOR

THE NEW Alfa Romeo Alfasud, which is unveiled at the Turin motor show to-day, represents a major bid by the Italian company to join the ranks of the European volume car producers. The little 1200 cc model is e direct rival for European mass market cars such as the Fiat 124. Alfa bas never produced e car as small and cheap as this before, and the Alfasud will be the main plank in the company's plan to expend production from 100,000 cars last year to 500,000 by 1975.

The Alfasud is an ettractive end sporty four-door, four-seater, with the increasingly popular fastbeck styling. It has front-wbeel drive and a borizontally-opposed engine, wbich in the Alfa-tradition produces far more power than rival units of similar capecity. It bas disc brakes on all four wbeels with dual circuits for safety. The suspension, with MacPherson struts at the front and a rigid rear axle, has been chosen to provide optimum roedholding.

The Alfasud is a car of higher specification and performance than most of its rivals in the 1200-1300 cc class whicb in Italy, as in the rest of Europe, has hecome the most popular single market sector. Alfe hopes it will preserve its exclusive image while expanding the volume of production.

The car will be built ar the new Alfasud plant near Naples, whicb Alfa—a subsidiary of the State holding company IRI—has establisbed as part of a plan to bring work to Sontbern Italy. Prodnction will start this year, but e British launcb is unlikely before late 1972.

Year-low for brick stocks in September

BY MICHAEL CASSELL

BRICK stocks during September fell to their lowest point of the year while deliveries rose substantially over the previous month.

According to the Department of the Environment, the stock level et brickworks throughout the country continued its downwerd trend, dropping to 290m., e fall of 48m. on August and no fewer than 331m. down on September, 1970.

At the same time, however, deliveries rose to reach one of the highest points recorded this year, providing some indication of the recent upsurge in construction activity.

During September, deliveries to customers reached a provisional 629m., an increase of 89m. on the previous month end a rise of 34m. on September, 1970.

Actuel brick production during the month emounted to 581m., a rise of 70m. on August end 38m. more than e yeer earlier. Allowing for seasonal and working-day variations, September prodoction was marginally below the average for the third quarter as a whole but deliveries were slightly above.

Cement output

Other figures from the Department show that weekly everage cement production in September was 362,000 metric tons, a rise of 25,000 metric tons on the previoue month and 14,000 higher than in September, 1970.

Cement deliveries rose to 365,000 metric tons from 334,000 metric tons in August and were 14,000 metric tons higher than in the same month last year.

At the end of the month, cement stocks stood et 403,000 metric tons, e fall of 17,000 metric tons from August and 14,000 metric tons below last September.

C.I. OFFICE FOR HUME CORPORATION

Hume Corporation (Guersney)—a wholly owned subsidiary of Hume Corporation of the U.K. and member of the Hume Group of Companies—opened its first office in tbe Chennel Islands yesterday at St. Peter Port.

The subsidiary's chief executive is Mr. Patrick W. Reynolds, who joined the Hume organisation in the U.K. in June.

The local subsidiary, whicb has paid-up capital of £300,000, bas a Guernsey MP as chairman, Mr. H. C. Henchman. He is president of tbe island's Board of Administration. Mr. D. G. Creasey, a St. Peter Port businessman, is also a director, along with Mr. G. A. Todd of the U.K. Alternative Director to Mr. Todd is Mr. W. C. W. Smith, also of the U.K.

Airlines adopt new firearms regulations

AIRLINES in the International Air Transport Association beve agreed new regulations for the control of firearms in the passenger cabins of their aircraft, effective from yesterday, subject to approval of interested governments.

This action bas been taken in view of the increasing use of firearms in hijacking and other forms of violence.

The new IATA resolution bas the following clauses:

1 Members shall not knowingly permit passengers to retain custody of firearms in the passenger cabin;

2 Firearms shall be surrendered at the time of check-in, and the passenger shall be required to declere thet they are safe for transporation;

3 Firearms sball, wberever possible, be accepted for carriage as checked baggege, provided they ere unloaded and suitably packed;

4 If the firearm is not suitably packed, or the passenger does not wish it to be carried in the aircraft hold, it may be carried in a suitable compartment in tbe aircraft cabin or flight deck, provided it is not eccessible to the passengers;

5 All ammunition sball be carried in the eircraft hold;

6 An autborised person performing a duty on board an aircraft, such as a law enforcement officer or diplomatic courier, may be permitted to retain custody of his firearm and ammunition, if duly identified.

STELLA-META TO JOIN PERMUTIT

Stella-Meta Filters will become a division of The Permutit Company on January 1, 1972, as part of the rationalisation of the liquid treatment and engineering activities of the Portals Group.

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FINANCIAL TIMES

No. 28,675 Tuesday November 3 1981 15p

News Summary

APPOINTMENTS

Mr. Howlett on Norvic Shoe main Board

Mr. Eric W. Howlett, managing director of Norvic Children's Shoes, has been appointad a director of the NORVIC SHOE COMPANY.

Mr. Jnhn Kavanagh, who joined Norvic three years ago, has been appointed managing director of NORVIC STORES. He takes over from Mr. Eric J. Cattle, managing director of Norvic Retail, who relinquishes his association with stores to concentrate full-time on tha running of 140 retail shops.

★

Mr. R. G. Schweitzer has joined the Board of MARTIN THE NEWSAGENT as managing director succeeding Mr. B. H. S. Martin

Mr. R. G. Schweitzer

who has retired from that position but continues as full time chairman. Mr. Schweitzer was previously with Urwick Orr and Partners.

★

Mr. A. P. B. Guinness has resigned from the Board of GUINNESS MAHON AND CO. because of his increasing commitments as an executive director and chairman of the finance and planning committee of Arthur Guinness Son and Co. He remains on the Boards of Guinness Mahon Holdiogs and Guinness and Mahon Dublin.

Mr. Charles Villiers has been appointed chairman of the Wogau Group of companies, subsidiaries of Guinness Mahon and Co., in Mr. Guinness's place. Mr. J. D. Power has relinquished his managing directorsehip of the Wogau Group but remains non-executive vice chairman. He has been appointed a director of the Industrial Banking Corporation, another Guinness Mahon subsidiary.

Mr. I. C. Clunas and Mr. S. Steiner have been appointed joint managing directors of the Wogau Group.

★

Mr. Heory Eason, who recently retired as secretary general of the Institute of Bankers, has been elected an honorary lifa member of the BANKERS' INSTITUTE OF AUSTRALASIA "for meritorious service rendered." He is the first non-Australasian to receive this honour.

★

Mr. D. W. Dyer, an executive director of Barlow Rand, has been appointed managing director of HUME, from January 1.

★

Mr. E. P. Crowdy is to become managing director of HAWTHORN LESLIE (ENGINEERS) on January 1, to succeed Mr. D. G. Ogilvie, who is retiring at his own request from that position at the end of this year. Mr. Ogilvie will remain on the Board of R. and W. Hawthorn Leslie and Co. and its subsidiaries in a non-executive and consultative capacity.

★

Mr. John Hunsworth has become director of tha BANKING INFORMATION SERVICE. He has been secretary of the Service since 1054.

★

Mr. Peter Spencer-Smith will be retiriog from the chairmanship of CHARLES BARKER AND SONS and its subsidiaries from January 31, hut will remain as a consultant. Ha will he succeeded by Mr. Kyrle Simond, now deputy chairman.

★

Lord Stokes of Leyland has heen elected president of the UNIVERSITY OF MANCHESTER INSTITUTE OF SCIENCE AND TECHNOLOGY for the three years commencing January 1. Sir William Mather has been elected to succeed Lord Stokes as one of the two vice-presidents of the Institute.

★

Mr. H. F. Riches has resigned from the Board of Oliver Rix.

★

HOWARD FARROW CONSTRUCTION annnunces that on the acquisition by Imperial Chemical Industries of a majority shareholding, Mr. John A. de Normann, chief executive of the ICI Building Davelopment Group who has been a member of the Farrow Board since 1966, has been appointed dapnty chairman of that company.

Mr. I. S. Barr, the present financial controller and company secretary of Farrow, has been appointed to the Board along with Mr. L. J. A. Merckx, of Engineering Services, ICI, Millbank, who becomes a non-executive director. Mr. Leslie H. Farrow who retired as a full-time executive in 19.. retires from the Board after 3. years' service

★

Mr. R. G. Epstone, marketing director of the Hepton Group, has been appointed to tha Board of GEORGE DOLAND, the parent company of the Hepton Group.

★

Changes in executive responsibilities of members of the parent company Board in relation to U.K. operations have been made by LINREAD.

Mr. A. H. Lynall, chairman and joint group managing director, is chairman of the Aircraft Products Division. Mr. D. G. Lynall joint group managing director will be chairman of the Commercial Products Division. Mr. G. B. Edwards bas been appointed deputy to the group managing director while retaining executive responsibility for finance.

Mr. J. C. Staward becomes managing director of the Commercial Products Division and relinquishes his present overall responsibility for manufacturing in the U.K. group. Mr. J. S. Griffiths is now managing director of the Aircraft Products Division and relinquishes his present overall responsibility for marketing and sales in the U.K. group.

★

Dr. A. C. Hutchison has been appointed managing director of BDH CHEMICALS, succeeding Mr. H. G. Rolfe, who has retired.

★

Skelmersdale post for Mr. Ian Gray

CARDIFF, Nov. 1.

A TOP civil servant in Wales is leaving Government service to be general manager of Skelmersdale New Town Development Corporation. He is Mr. Ian Gray, 45, the director for Wales of the Department of Trade and Industry.

During the past 4½ years he has played a leading role in the promotion and encouragement of industrial investment and development in the principality. A graduate of Edinburgh University he joined the Board of Trade in 1948; was private secretary to successive Parliamentary secretaries and in 1952-54 private secretary to the President.

After working in the division concerned with problems of textile, clothing and knitwear industries be became British trade commissioner in Capetown and later Board of Trade controller for Wales.

In February last be was made director Wales of tha Department of Trada and Industry bringing together the Board of Trade and Ministry of Technology.

FACTORY EQUIPMENT

The Financial Times will publish a survey of Factory Equipment in its issua of Thursday, November 18. The following iodicates the proposed editorial content.

1. **Introduction.** Tha size of the market and its growth trend. The companies involved and their European and U.S. rivals. Price treods. The buy-or-lease question. Stock and availability.
2. **Services tn the Factory.** Keeping to-day's complex and costly manufacturing techniques in profitable operation demands equally advaoced and fcolproof services: power supplies (buying at a cbeap rate from the CEGB or generate it yourself?) Water and air equipment, beating and refrigeration, pumps.
3. **Storage and Warehousing.** American companies are eyeing the growing British and European market for automated warebousing—a market growing because of rising labour costs. Automated warehousing can be ultra sophisticated . . . or ultra simple. Storage of small items was, until recently, a neglected area; now larger suppliers bave begun to cash in—and savings in costs of up to 30 per cent are claimad for some systems.
4. **Environmental Control in the Factory.** People do work bettar in the rigbt atmospbere . . . which means growing demands to control dust, beat, light, ventilation and noise problems. How it is being achieved? Mostly, the equipment is there—if firms' want to spend tha money.
5. **Maintenance in the Factory.** Highly qualified staff now run taams responsible for factory maintenance services ranging from machinery lubrication to cleaning services and disposal of factory waste. A growth area because if expensive machinery and bighly-paid men are prevented from working, then at to-day's prices, the cost is enormous.
6. **Buildings and Components.** No longer is the factory like an uncbanging Victorian warehouse building. It has to change as rapidly as the technology inside it. To lease or buy? How to use portable buildings and partitions, and even portable factories to give flexibility. Fitting out a pre-built factory.
7. **Security, Safety and Welfare.** Security systems now range from new-fashion burglar alarms tc guard dogs and anti-hugging devices. With crime rising and industrial espionage increasing, what are the systems, services and equpment available to combat this prohlem? Then there is the in-factory safety problem . . . machinery guards, protective clothing etc. and allied to it the welfare needs of workers, ranging from canteen and vending equipment to medical services.
8. **Handling.** Shifting materials and components about the factory is a vital part of the manufacturing process. Overhead cranes, fork-lift trucks, pallets, hoists, conveyors, filling machinery, should he, hut are not always, part of the factory scene. What are the development areas? In more ways than one, this part of factory equipment is on the move. Handling means linked output.
9. **Packaging in the Factory.** Packaging at the factory is wnere automation really has made strides. Some manufacturers buy in a packaging service, others buy their own wrapping, packing and hoxing or cratiog equipment. Packaging may be the final process, but it is one no factory can do without.

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London Clearing Banks' statements

Tha following table, compiled from the summary issued by the Committee of London Clearing Bankers, sbows the position of each of the clearing banks on October 20, 1971. In the percentage columns are given the ratios of the respective items to gross deposits:—

	Barclays £m.	%	Coutts £m.	%	Lloyds £m.	%	Midland £m.	%	Nat. West. £m.	%	Williams Glyn's £m.	%	Totals £m.	%	Changes on Sept. 1971 £m.	%	Changes on Oct. 1970 £m.	%
LIABILITIES																		
Capital	126.8		1.0		64.9		64.7		152.3		13.5		423.2		—		+ 0.1	
Reserve funds	253.7		5.5		211.1		147.5		225.7		32.5		676.0		+ 0.1		+101.7	
Provisions§	17.9		0.9		16.1		25.6		21.3		3.0		84.8		− 3.9		+ 4.2	
Gross deposits	3,338.2		85.1		2,175.1		2,572.0		3,404.6		612.8		11,667.6		+497.3		+1,418.8	
Total eligible liabilities	3.137.3		70.3		1.813.2		2,217.7		6,248.0		265.6		19,752.1		—		—	
ASSETS																		
Cash & balances with Bk. of E.	271.6	8.1	1.7	2.0	137.5	6.3	171.7	6.7	247.5	7.3	12.8	4.1	842.8	7.1	− 4.5	−0.3	+ 14.8	−0.8
Call and short money	463.1	13.9	17.6	20.7	658.1	16.5	270.7	10.5	655.4	10.4	62.5	20.0	1,527.4	12.6	+136.2	+0.6	− 90.3	−2.7
Bills discounted:																		
Treasury	0.4	—	0.3	0.4	46.2	2.2	26.6	1.0	59.4	1.7	—	—	135.0	1.1	− 56.2	—	+ 57.3	—
Other and refinancble cdts.	228.4	6.9	2.0	2.1	236.4	10.9	281.3	11.0	351.4	10.4	20.6	6.6	1,120.1	9.3	− 88.7	—	+374.1	—
Liquidity ratio		28.9		25.2		35.9		29.2		29.8		30.7		30.5		−0.2		−2.1
Special dep'sits*	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	−258.4	—
Cheques for collection, etc.	121.9	—	4.9	—	77.1	—	90.2	—	117.9	—	23.8	—	485.8	—	− 30.4	—	+ 19.7	—
Investments	576.4	17.6	21.4	25.1	367.1	16.9	349.0	16.6	632.1	18.6	45.1	14.4	1,991.1	16.7	+ 27.5	−0.5	+922.4	+6.5
Advances	1,843.6	55.2	42.1	49.5	1,087.1	50.0	1,461.7	56.6	1,820.1	53.5	176.1	56.8	6,430.7	54.1	+357.7	+0.8	+501.8	−2.5
Total reserve assets	556.5	—	10.3	—	254.3	—	410.4	—	511.6	—	33.6	—	1,776.7	—	—	—	—	—
Reserve assat ratio¶		17.7		14.7		14.0		18.5		15.8		12.6		16.5		—		—

	Composition of totals £m.	Changes on Sept., 1971	Changes on Oct., 1970
Net deposits†	11,226.9	+496.9	+1.366.1
Gross deposits:			
Current accounts	6,303.7	+190.2	+742.0
Deposit accounts	5,185.7	+283.3	+575.7
Other accounts‡	398.4	+ 23.8	+101.1
Cash:			
Cash in hand	626.6	− 21.3	− 24.9
Balances with Bank of England	216.2	+ 16.9	+ 39.7
Call and short money:			
Discount market	1,038.4	+ 80.4	−139.8
Other	489.0	+ 55.8	+ 49.5

	Composition of totals £m.	Changes on Sept., 1971	Changes on Oct., 1970
Other bills and refinanceable credits:			
U.K.	590.3	+ 55.0	+283.7
Other	529.8	+ 2.3	+ 90.4
Investments:			
Brit. Gvt. & Gvt. guarnld.	1,769.8	+ 26.8	+911.1
Other	201.3	+ 0.7	+ 11.3
Advaoces to customers incl. other accounts:			
Gross	6,430.7	+357.7	+501.8
Items in transit	225.1	+ 28.7	+ 33.0
Net	6,205.6	+329.0	+468.8
Nationalised industries	141.3	− 13.2	− 4.8
Other	0,064.3	+342.2	+473.6

* Special deposits with the Bank of England were repaid on September 15. † Gross deposits less "Cheques for Collection" and items in transit between offices of the same bank included in advances. ‡ Credits in course of transmission and suspense accounts. § These include pensions, taxation and dividends payable. ¶ Reserve assets as a percentage of eligible liabilities.

MR. R. BUCHANAN

Mr. R. Buchanan, Lahour MP for Glasgow Springhurn, voted in favour of British eotry to the Common Market in last Thursday's division.

Scottish S.E. turnover down

Turnover in Octobar on the Scottish Stock Exchange fell £11m. on the month to £42.5m. However, it was still £2.5m. greater than 12 months earlier.

Equity business dropped by £7.9m. to £35.9m., while turnover in fixed ioterest securities was £3.1m. lower at £6.6m. Business in Gilt-edged, included in the fixed interest turnover, was £3.5m., a fall of £2.4m. on tha month.

With fawer business days in the mooth, the number of bargains was over 1,000 lowar at 29,508. Of these, 24,367 were equity deals, which wera only marginally down on tha month.

HOME CONTRACTS

Southern Counties wins £1¾m. building work

Southern Counties Construction Company bas won a £1.23m. cootract from the Eastleigh Borough Council. This is for extensioos to the Chickenhall sewage disposal works. Tha company has also been awarded a contract worth £390,208 by the Rural District Council of Chichester for work on the Birdham and Area foul sewage scheme and another valued at £99,781 by the Petworth Rural District Council for roads and sewers in the Station Road housing site.

★

Standard Telephones and Cables is to manufacture and install land telephone cables on 11 routes in various parts of tha U.K. The order, which forms part of the nationwide expansion and renewal programme by the Post Office, is valued at £638,000.

★

Plessey Avionics and Communications has received a further order, worth about £350,000, for weapon control systems to he fitted to a number of RAF versions of the Anglo-French Jaguar strike aircraft. The order was placed by the Ministry of Defence (Aviation Supply).

★

Ferranti has received orders worth nearly £500,000 from four of the area electricity boards for transformers. These should be delivered in 1972-73, and have been ardered by the consortium of the North Western, South Western, Eastern and South Eastern Electricity Boards.

★

W. E. Chivers and Sons has won contracts worth a total of above £470,000. These are for a five classroom primary school near Salisbury, a new crematorium for Southampton and an officers' mess for the Royal Armoured Corps at Bovington. The largest order is for the crematorium which will cost £250,000.

★

James Laidlaw and Sons have been awarded a £172,000 contract by Glasgow Corporation for extension to Glenwood Secondary School in the Castlemilk area of the city.

To-day's events

STATE OPENING OF PARLIAMENT.

INSTITUTE OF DIRECTORS, annual conference. The speakers are: Mr. Lee Kwan Yew, Prime Minister of Singapore; Dr. Billy Graham, the American evangelist; Lord Goodman, chairman of the Arts Council; Mr. Anthony Barber, Chancellor of the Exchequer; Mr. Christopher Soames, British Ambassador in Paris; and Mr. Jim Slater, chairman of Slater Walker. Sir Derek Pritchard, president of the Institute, will be in the chair. The conference opens at the Royal Albert Hall at 9 a.m.

COMPANY MEETINGS

BROCKS GROUP, Winchester House, E.C., 11.30. (Chairman, Mr. B. Clack.)

CALCUTTA ELECTRIC SUPPLY CORPORATION, Victoria Hall, Bloomsbury Square, W.C., 12. (Chairman, Mr. I. A. Macpherson.)

ODLOSWELLA HOLDINGS, 37, Queen Street, E.C., 2.30. (Chairman, Mr. B. Lascelles.)

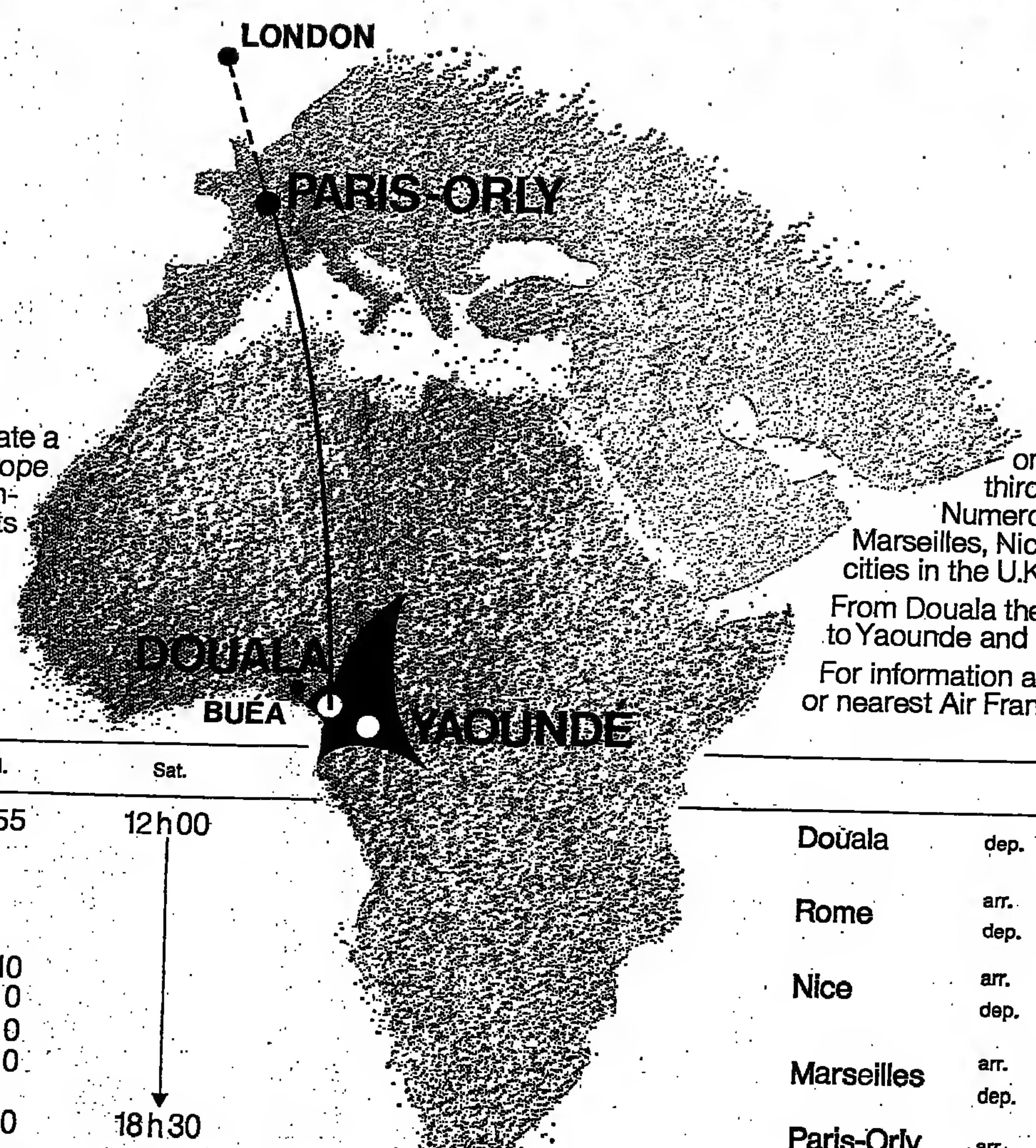
MILN MASTERS GROUP, Europa Hotel, W., 11. (Chairman, Mr. D. E. Politzer.)

TELEFUSION, Connaught Rooms, W.C., 12.30. (Chairman, Mr. J. C. Wilkinson.)

Cameroon Republic announces Cameroon Airlines

Starting Today

Douala three times a week



...ameroon Airlines, a new airline, will operate a ...gular long distance service between Europe ...nd the Cameroon by Boeing 707 Intercon-...nental. It will connect with domestic flights ...nd flights to other African States.

...ouala three times a week.

...arting today, Cameroon Airlines will ...perate a service three times a week ...om Paris (Orly) to Douala:

		Tue.	Wed.	Sat.
...aris-Orly	dep.	22h15	19h55	12h00
...arseilles	arr.	23h30		
	dep.	00h20 Wed.		
...ce	arr.		21h10	
	dep.		22h10	
...ome	arr.		23h10	
	dep.		00h10	
...ouala	arr.	06h00	Thur. 05h40	18h30

...one direct flight; one via Marseilles, and the third via Nice or Rome.

Numerous connecting flights are available to Orly, Marseilles, Nice and Rome from London and other major cities in the U.K.

From Douala there will be immediate onward connections to Yaounde and other provincial towns.

For information and reservations contact your Travel Agent or nearest Air France Office.

		Wed.	Thur.	Sun.
Douala	dep.	10h15	10h15	10h15
Rome	arr.		15h45	
	dep.		16h35	
Nice	arr.		17h25	
	dep.		18h10	
Marseilles	arr.			
	dep.			
Paris-Orly	arr.	16h45	19h30	16h45

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TO THE HOLDERS OF

COMMONWEALTH OVERSEAS N. V.

5¾ % Guaranteed (Subordinated) Convertible Debentures Due 1984
Guaranteed as to Payment of Principal, Premium, if any, Interest and Sinking Fund by

COMMONWEALTH UNITED CORPORATION

Further to the notice dated April 30, 1971, given by Chemical Bank (formerly Chemical Bank New York Trust Company), as Trustee (the "Trustee") under the Indenture dated as of February 1, 1969 (the "Indenture"), among Commonwealth Overseas N.V. ("Overseas"), Commonwealth United Corporation ("CUC") and the Trustee, pursuant to which the above-captioned Debentures (the "Debentures") were issued, the Trustee hereby gives notice that neither Overseas nor CUC has paid the interest due and payable August 1, 1971, on the Debentures.

The Trustee is informed that CUC is in the process of formulating a voluntary plan of reorganization for proposal to creditors of CUC and its affiliates under which such creditors would be offered, in exchange for their securities and other claims, varying amounts of cash, subordinated notes, common stock and warrants to purchase common stock, of a newly formed corporation which would purchase The Seeburg Corporation and its subsidiaries from CUC. The major portion of such securities and claims would be discharged by receipt of common stock and, in some cases, warrants to purchase common stock. Since the Debentures are obligations of Overseas and Overseas is an unsubordinated creditor of CUC, the Trustee has indicated to CUC that, in any plan of reorganization, the holders of the Debentures should receive consideration in excess of that to be received by other subordinated creditors of CUC. The Trustee has been advised by representatives of CUC that such position will be recognized by offering to holders of Debentures warrants to purchase common stock, in addition to common stock. As and when a definitive plan of reorganization is formally proposed by CUC, the holders of Debentures will be notified thereof. In order to insure your receipt of such notice, Debentureholders may wish to file their names, addresses and principal amounts held with Chemical Bank, as Trustee, 20 Pine Street, New York, New York 10015, attention of Mr. John J. Fleming, Trust Officer.

Since the Trustee has no power to accept or reject any such plan, each holder of Debentures will have to make his own decision on any such plan, if and when formally proposed. Judicial action by CUC and certain of its creditors may be required to make such plan effective unless all creditors consent to it.

CHEMICAL BANK, as Trustee

Dated: October 29, 1971.

FRONTIER TRUST
Société anonyme
14 rue Aldringen, Luxembourg

THE QUORUM required by law having been met at the Extraord General Meeting of Shareholders hel October 11th, 1971, the shareholde the above mentioned Company are i to take part in a second Extraord General Meeting which will be he the registered office of the Compa Luxembourg, 14 rue Aldringen, on amber 15th 1971, at 3.P0 p.m. fo purpose of changing the name of Company from

"FRONTIER TRUST"
TO
"BtF TRUST S.A."

The shareholders are hereby inf that This Second Extraordinary G Meeting shall, pursuant to article the Company law of 1Pth August validly take decisions whatever prop of the share capital of the Compan be present or represented thereat.

In accordance with the Luxembour the Resolution to be proposed will r the concurrence of two-thirds of the number of shares represented at the ing, provided that, at this second Me shares not represented at the Meeti to a maximum of one-third of the number of shares in issue will be d to vote in favour of the proposed R tion, and that in that case the Res will require the concurrence of a m of the shares represented at the M

Holders of bearer shares may v the Meeting in person by produc the Meeting either their share cert or a certificate of deposit which v issued to them against deposit of share certificates with one of F Trust's paying agents.

Holders of bearer shares may v the Meeting by proxy by complet form of proxy which will be made able to them against deposit of thei certificates as aforesaid.

Share certificates must be so de 5 days before the Meeting and retained until the Meeting or any a ment thereof has been concluded. F Trust's paying agents are Banque G du Luxembourg, 14 rue Aldringen, L bourg, and Barclays Bank Limite Lombard Street, London, E.C.3. In to be valid all forms of proxy reach the registered office of F Trust not later than 12 noon o November, 1971.

For and on behalf of
FRONTIER TRUST
The Board of Directors.

هكذا من الأصل

The Executive's World

EDITED BY DAVID PALMER

هكذا من الأصل

PEUGEOT

Middleweight champion of Europe

BY JAMES ENSOR

IT IS a remarkable commentary on the state of the European motor industry, that the most profitable concern is not one of the giants—Volkswagen, Fiat or British Leyland—but Peugeot, the ninth largest by turnover. Peugeot's total sales are dwarfed by the £1,800m. output of Volkswagen or the £1,400m. of Daimler-Benz. In an industry where scale is often regarded as synonymous with profitability, the medium-sized Peugeot produced a return on capital employed which was unmatched in Europe. Of all the world's 21 vehicle manufacturers, only Toyota bettered Peugeot's net return of 9 per cent. on capital employed. The next best European result was Daimler-Benz's 5.5 per cent. net return on assets.

Peugeot has also established a rapid rate of growth. Sales expanded by 19 per cent. last year, thanks to a 50 per cent. gain in export turnover. Exports have grown by another 30 per cent. this year so that in three years its exports have expanded two and a half times. This is a record exceeded only by the Japanese.

PEUGEOT

	Turnover £m.	Pre-tax profit £m.
1966	221.7	25
1967	242.7	27.4
1968	253	26.7
1969	319.3	39.1
1970	407	40.5

Peugeot is one of the oldest-established motor manufacturers in Europe. Its main plant at Sochaux in South-Eastern France, close to the Swiss border, was established in 1912 and much of it looks as though it has been changed very little externally since then. The forge, press shops and assembly lines are crammed into a tight space, much in the manner that they were originally laid out. Yet, despite its congested facilities, Peugeot has a better productivity, measured in the crude terms of sales per employee, than any other French car manufacturer.

The secret of Peugeot's success has been its unwillingness to compromise with its engineering standards. Whilst Ford, Opel and sometimes Renault have concentrated on producing cars that offer the best accommodation and performance for a low price, Peugeot has quite deliberately produced expensive cars which meet exacting standards.

The rear suspension of its small 204 saloon, for instance, is four times as expensive to manufacture as that of the Ford Escort, a car of similar size. The 204's front wheel drive and transverse engine layout add to production costs and so does its generous seating and sound deadening material. Yet despite its cost, the 204 is the best selling car in France and has provided the basis of Peugeot's remarkable export drive into Germany.

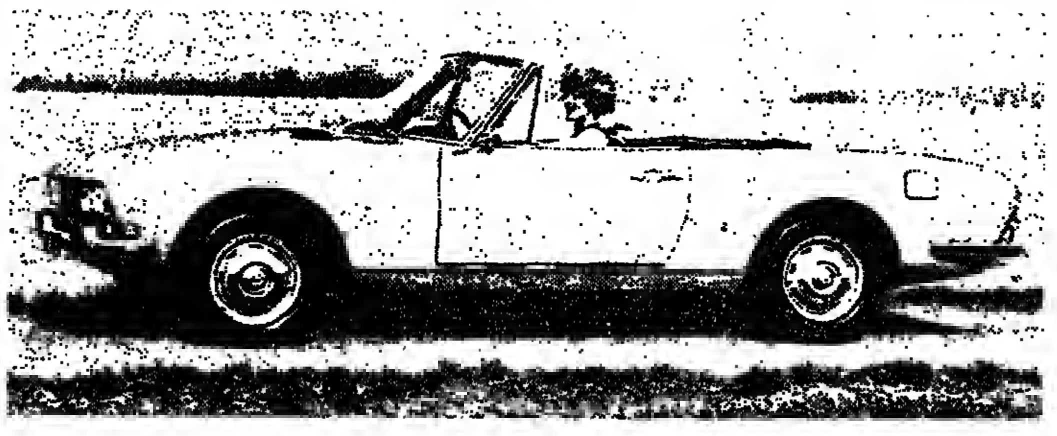
Peugeot's 504 is widely regarded as one of the best two-litre cars on the European market. Its performance, silence and comfort are perhaps only rivalled by the two British two-litres from Rover and Triumph and by Alfa Romeo. A rival engineer, whose company had stripped down a 504 to see how it was made, spoke in awe of the attention which Peugeot had paid to sound deadening: "We kept pulling more and more rubber out of it," he remarked. The 504 has now ousted the elderly Citroen DS as the most popular executive car on the French market.

Yet for all Peugeot's superlative engineering, the company watches its expenditure with all the care that one would expect from a family-controlled private company. While the 204 was introduced with a new engine, produced on a highly automated assembly line, the more recent 504 makes do with a development of the established 404 engine. Its assembly is still carried out on lines where the workers have to push baskets by hand along overhead conveyors. The contrast between the two production methods, which can be seen side-by-side at Sochaux, could hardly be greater.

The company is developing a magnificent new plant at Mulhouse, some 70 km from Sochaux, which contains an automated forge and much numerically controlled equipment for making gearboxes. Mulhouse will also assemble cars—output of 304s has started—but the company is progressing slowly and cautiously so as not to outrun its financial resources.

Fears that it may out-run its ability to finance its expansion haunt the Peugeot management. Mulhouse has already cost £70m. and could account for a great deal more by the time it is finished. Characteristically, the company's plant manager refuses to work to a fixed blue-print of expansion, preferring to keep all the options open until the last possible moment. In this way, Peugeot can minimise the risk of being caught with over-capacity, while still being ready to exploit opportunities. In fact, it has had no short-time working since 1965, a record which few British companies could match.

Peugeot's vulnerability has been much reduced by an agreement concluded with Renault in 1966. The first fruits of this are a new engine plant at Douvrin,



Peugeot's 504 — "widely regarded as one of the best two-litre cars on the European market."

in Northern France, which will supply Renault, Peugeot and probably Volvo with engines. With an output of 6,000 engines per day, this will be as large as Volkswagen's at Wolfsburg or Ford's at Dagenham, and thus a match for any individual engine plant in Europe.

The two companies have developed a six-cylinder engine together, which will power future large Renaults and Peugeots. Purchasing is conducted jointly to earn economies and Peugeot's new forges already stamp out many parts for Renault. Eventually, most mechanical parts, including engines, gearboxes and suspension units, will be shared, although the companies will continue to design separate ranges and market independently.

Peugeot's conservative approach to investment is matched by a caution in marketing. Like most French car manufacturers, its exports have soared with the help of franc devaluation, while home sales have been held down by the domestic squeeze. Half of output now goes to export markets, but these are spread around between Africa, South America and Europe. The rugged 404, which had many successes in the East African Safari Rally, gives Peugeot market leadership in Kenya. In Argentine, where its cars are assembled locally, they have won such a reputation for reliability that it sells as many as the powerful General Motors or Ford operations.

Peugeot deliberately aims certain of its models at certain markets, the 204 at Germany, the 504 at Britain and the older 404 at Africa and Argentina. Its cars are almost always more complex and expensive than its rivals but it tries to offer real advantages, either of sophistication in Europe or reliability and durability in Africa. As a result, the 204/304, the older 404, and the 504 each account for a third of export volume, neatly contributing to a well-balanced production flow.

The company will always stress quality, roadholding and durability above low cost. It has one of the most extensive in-plant quality control systems, where every car produced is subjected to a couple of hours of testing before being allowed out to dealers.

The British market has been the one that Peugeot has largely ignored. Its dealer network was weak and its British concessionaire did little to promote sales. Now, the company has taken over, and plans to sell 3,500 cars this year. In two years' time, M. Bernard Terquem, the company's 33-year-old managing director, expects to sell 15,000 cars, almost half of them in the two litre class. He concedes that such rapid expansion runs the risk of outgrowing the ability to supply spares and service—but points out that Peugeot has achieved such growth already in Germany.

In the next five years, as the competition becomes fiercer, many motor companies in Europe are going to feel the pressure.

NATIONAL MANAGEMENT GAME

Real money prize for 1972 champions

BY MICHAEL DIXON

THE 1972 national management champions will go home from the final next summer £500 richer. The money is being added to the Financial Times Championship Bowl as the winners' prize for the third United Kingdom National Management Game, the entry lists for which open to-day.

The winning team will declare its "paper" company's final profit at 4.30 p.m. on Saturday, June 24. In the previous six months, however, billions of symbolic pounds will have been made or lost, and—if the entry list for the second NMG is any guide—around 800 other teams will have been driven out of business.

Although the sponsors—the Financial Times, International Computers, and the Institute of Chartered Accountants in England and Wales—have not as yet placed a limit on the number of teams which can enter next year's championship, the entry lists will close on December 4.

The teams which have paid the £25 entry fee will then be dividend into playing groups ready for play in the game's first round to start by post in January. The playing groups will consist of either three, four or five teams, depending on the size of the total entry. Applications are being looked after by Mr. Ken Williams, the administrator of the NMG. He can be contacted at ICL, Bridge House South, Putney Bridge, London, S.W.6 (telephone 01-736 0723 or 0727).

Since the first annual National Management Game began in 1970, 1,023 teams including more than 5,000 individual players have taken part in the championships. Veteran players, however, will start with no appreciable advantage in the third NMG, even though the game's basic plot will be familiar to them.

Each team acts as the Board of directors of a "company" making and marketing a consumer-durable product. The starting position—identical for all companies in the game at the beginning of each round—is presented to the Board in the form of a set of accounts.

Each company then competes with the three, four or five other teams in the same playing group to make the greatest net profit (after tax and interest on loans).

The Board members decide what prices to set for their products in the various markets available. How many markets there are, depends on the number of teams in the playing group. Each of the teams has a "home" market, in which it has an advantage over its competitors, and there is also a free-for-all market in which all teams compete on an equal basis. So in a playing group of three companies, for example, there are four markets available.

Computer correlation

As well as setting prices, the Board members decide how much of their cash resources to allocate to production, marketing, transport, and research and development. If they wish, they may also take up "loan finance" at interest rates decided by the NMG administrator before each round begins.

Each company then records its decisions on a form, which is sent to ICL. The computer correlates each team's decisions with those of its competitors in the same playing group and with the model of the "business situation" in the computer programme. It then prints out a profit statement for each company, showing how its fortunes have been affected.

This cycle is called a "play." After a specified number of plays the round ends and the team in each playing group which has accumulated the greatest net profit goes forward to the next round. There will be five of these knock-out rounds in the 1972 championship. The first four will be played by post, and the final will be decided "live" at ICL's headquarters in Putney on June 24.

The game thus calls for the exercise of a range of management skills. These include working out objectives, deciding what information is needed, drawing the information from computer print-outs, making the various decisions in the right order, and adjusting policy in the light of the usually unexpected results of previous decisions. What is more, all this activity has to be carried out under the real pressure of competition and time.

It is this last aspect of the NMG which has received the most praise from the men and women from industry, commerce, public administration, and management schools who have taken part in the previous championships. "We not only got enjoyment and some useful publicity out of it," said a typical senior player in the 1971 final—won by Rolls-Royce (1971). "Just look at my chaps. We started in January as six individuals who knew each other fairly well. Now we're working together like Siamese sextuplets."

EMPLOYEE BENEFITS

What to do about widows

BY DRYDEN GILLING-SMITH

IN A memorandum issued last week the Department of Health and Social Security spelt out the *Implications for Occupational Schemes of the Proposals in the Government's White Paper.* This is the consultative document with "green edges" promised by Sir Keith Joseph some weeks ago.

The White Paper proposals are likely to require substantial improvements in the provision for widows in many company pension schemes. The Government takes the view that widows in general have fared very badly under existing schemes and as a result there are now more widows whose incomes are low enough to qualify for the supplementary benefits than any other single category of recipient.

So far so good—but then come the problems. All the "wives" who are not wives, the employees who "marry" two or three times without bothering to get divorced, the pensioners who marry teenagers with an expectation of life stretching a third of the way through the 21st century. These are the stock in trade problems of the company pensions manager.

Many company schemes only provide widows' pensions where the retiring employee agrees to give up part of his own pension. The Consultative Document makes it clear that this voluntary provision will not be sufficient for "recognition." Often a scheme provides a five-year guarantee on an employee's pension. Where an employee retires at 65 and dies at 66 a widow would usually get a pension for the next four years (or a lump sum in lieu). Again the document makes it clear that this is not enough. The widow's pension must be additional to the employee's pension.

But even if a company scheme provides an automatic 50 per cent. widow's pension there can be problems. What happens for example if:

1. The widow remarries—does the pension stop?

2. The pensioner is a bachelor or widower at the time he retires but subsequently marries?

3. The surviving widow turns out not to be the true wife although she has been recognised as such for the past 40 years—and the legal wife suddenly appears to claim the pension?

The idea of stopping a pension when a widow remarries is a nonsense but it is still practised in a number of archaic pension schemes. What about the elderly widow who marries an elderly widower for companionship and to cut their joint living costs? Why should this joint income be chopped? Worse still if the new marriage partner dies first and the twice-widowed widow has no pension at all because her first husband's pension has been stopped and her second husband's scheme does not recognise post-retirement marriages?

Suggestions

The Consultative Document puts forward suggestions on both (1) and (2). For employers who cannot be persuaded to abandon the remarriage condition the next best thing would be a rule to reinstate the widow's pension if the next husband dies first. As regards post-retirement marriages the weight of the Government's arguments seem to lie in favour of providing full widows' pensions.

While it is probable that employers could adopt a costing system that would allow for post-retirement marriages, so long as they had the right to scale down pensions for widows more than 10 years' younger than their husbands, they are likely to take the view that this is a low priority item of expenditure and should not be made compulsory. Post-retirement marriages will usually be to wives who already have widows' pensions or to single women who will have qualified for occupational pensions in their own rights. All that is needed is the removal of the re-marriage restriction in schemes where it still survives.

As regards problem (3)—the multi-wife employee—the Consultative Document leans towards the continued use of the discretionary powers that many schemes already possess to decide on an ad hoc basis who shall get the pension or lump sum death benefit. It envisages some overriding control by the Occupational Pensions Board who might be landed with the unenviable task of acting as an appeals body in awkward cases. It does however accept the fact that this discretion could result in totally inadequate pension provision for abandoned wives.

I have so far been concerned with the widow's pensions paid when an employee dies after retirement. The Consultative Document also goes into considerable detail on the question of death in service benefits. Lump sums are likely to be allowed as an alternative to widows' pension probably on the basis of £15 lump sum being regarded as the equivalent of £1 per annum widows' pension. Generally speaking, the minimum death in service benefits needed for "recognition" are likely to be well below what is normally provided, certainly in insured schemes.

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TUESDAY NOVEMBER 2 1971

India and Pakistan—edging closer to the brink of war

BY J. D. F. JONES, Foreign Editor, and KEVIN RAFFERTY

WE ARE living through an autumn of conspiracy towards war in the Indian sub-continent. It is partly a conspiracy of men—for there are soldiers both in India and (to a lesser extent) in Pakistan who for months past have been deliberately planning their campaign. But above all, it is a conspiracy of events, and their full force—the essential background to Mrs. Indira Gandhi's present visit to London and other Western capitals—can be summarised, crudely, in this way.

The monsoon waters are at last subsiding in Bengal so that the heavy artillery which has been moved to the frontier by both sides, as well as the armoured infantry, can move again. The snows will be rising in the Himalayan passes as the month progresses, thus relieving the Indian Army's fears of a Chinese intervention in the north. The secret military trial of the East Pakistan political leader Sheikh Mujibur Rahman is now approaching its climax and the Army leaders will have to decide what to do with the man whose Awami League won 98 per cent. of the East Pakistan seats in the elections last December for the National Assembly.

Reassurance unlikely

The condition of the 9m. refugees who have fled across the borders into India is giving rise to growing and acute concern and is likely to intrude once again on the attention of world opinion as well as the Indian Treasury. The international "image" of the military Pakistani Government of President Yahya Khan, thoroughly and rightly besmirched by the events of last March, shows no sign of recovering and the Pakistan allegations against India—*even where justified*—will continue to go unheeded up to the very point of a full-scale Indian invasion of Pakistan. The by-elections which Yahya Khan promised in order to fill half of the East Pakistan parliamentary seats which went to the (now banned) Awami League by huge majorities last December will soon be held, but are unlikely to be any reassurance to an East Bengal population which continues to flee the country at a rate the Indians claim to be 30,000 a day. Meanwhile, the "Mukhti Bahini" guerilla and sabotage operations continue, even in Dacca itself, on a scale which makes it impossible for the Pakistani Army to pretend that it has fully re-established "control" in the province.

This month of November sees all these factors conspiring to intensify the momentum towards war. And as Mrs. Gandhi, the Indian Prime Minister, continues her diplomatic progress with statements of studied vagueness and skilful imprecision, it is at least possible to wonder whether the Indian Government might *already* have taken the decision to go to war.

After all, a war at once—before the New Year—would make good sense from the Indian point of view. In one quick campaign, many Indians now argue, the Pakistani armed forces could be smashed and the emergence of some sort of independent client-State of Bangla Desh would leave Pakistan limping so badly, not just from losing a wing but also from the blow to the fundamental concept of the Muslim State in South Asia, that it would cause no future trouble to India, in Kashmir, Shatt-al-Arab, or anywhere else, so that the Indian defence budget could be slashed and Delhi could concentrate on the priority of economic development. At the same time, East Pakistan would be "liberated" for the people of Bangla Desh, the refugees could all return safely, and the cost would be less than caring for the refugees into the years ahead. As for the cost in human life—the argument sometimes adds—half a million people have probably already lost their lives in Bengal this year and the misery entailed by even a brief war would perhaps be the lesser in the long term.

Moreover, the argument is very strong in military terms, as it presently appears inside India. The morale of the Indian Army is particularly high and there is no doubting the war fever of much of the population, at least in the northern half of the country. The fear of the Chinese has slowly receded as the Indian Army has built up its positions in the Himalayas and as the shaming memories of 1962 have faded. The recent Treaty with the Soviet Union has encouraged the Indians to believe that Moscow would take care of the Chinese if any diversion were needed, and the visits of the Soviet Deputy Foreign Minister and, this week, the head of the Soviet Air Force, have also encouraged confidence in Russian motives.

On paper, the Indian confidence is justified. It has two and a-half times as many men as Pakistan in its armed forces (980,000 against 392,000). It manufactures its own tank, for example, the Vijayanta, and its own Mig 21. Its army has 200 Centurions, plus older Shermans and 450 Russian T54 and T55 tanks.

The Pakistan Army by comparison is equipped with fewer and older arms bought from outside. Even after recent energetic efforts to buy new arms it is no match for India. The armour is made up of old Shermans and Pattons, some T54s and T55s, and 225 Chinese T59s which, though modern, are not well regarded by most military experts. In the air, too, India is superior. It has

Yahya Khan

Indira Gandhi

" I have no reason to tell you war is not imminent because it is. The Indians are already at war with us, and the only reason there is no general confrontation is that we are not hitting back. "

" I am sitting on the top of a volcano, and I honestly don't know when it is going to erupt. I honestly cannot prophesy what will happen or how we are going to deal with it. "

35 squadrons with 625 combat aircraft, many of them supersonic, against Pakistan's 285 combat aircraft in 19 squadrons, and most of the Pakistan aircraft are older and poorer in performance.

Cut off from the West

The Indians also would have one great advantage in knowing that the Pakistani forces in East Bengal, said to be over 70,000, would be operating in the midst of a hostile population and would presumably be cut off from the West since both sea and air communication would be easily broken. The obvious Pakistani counter-move would be to open up the Western front and so revive the campaigns of 1965.

All of this explains why many Indians would positively welcome the outbreak of war and why they reckon the sooner it comes the better.

Yet to calculate the likelihood of war is in a sense to miss the point because in simple fact there is already a war going on in Bengal. The monsoon has obstructed the reporting of the true situation in East Pakistan: but it may be reliably assumed, first, that the Pakistan authorities are not in control of substantial areas of their territory; secondly, that these areas include the strategically important north of the province as well as frontier areas; and thirdly, that the Indian Army's association with the Mukhti Bahini liberation forces is extraordinarily close. For these reasons it can accurately be said that the Indian and Pakistan forces are already waging a war—a secret, limited war which now threatens to become open, admitted and full-scale.

Whether or not this will happen in these coming weeks depends partly on the influence which the outside world is able to mount both against President Yahya Khan to persuade him to seek a political solution in the East, *and* against the Indians to caution them against a blithe escalation of their present belligerent activities. Mrs. Indira Gandhi's tour of Western governments is therefore likely to be quite as important for the latter exercise as for the former, though much less will be publicly said about it. (The third alternative, which cannot be ignored, is that Mrs. Gandhi's visit may in fact be the final Machiavellian stage of the Indian diplomatic campaign to prepare the world for the spectacle of Indian troops marching into battle.)

On the (perhaps bold) assumption that the Indian Cabinet has not yet made the final decision but has merely permitted its Army to prepare for the worst contingency, the debate in Delhi between hawks and doves can be seen to be approaching its climax ready for Mrs. Gandhi's return. The "war faction" is undoubtedly very strong at present, particularly inside the Army. There are daily reports of shelling and troop intensifications to match the verbal broadsides fired by both governments. Indian reservists have been recalled ostentatiously, though only 7,000 have actually been called up. Every extra refugee who crosses into India adds another Rs.2.77 (15p) a day to India's economic justification for war; fresh evidence for Mrs. Gandhi's new emphasis on the return of the refugees rather than international support for them. Diplomats are withdrawing from each other's capital.

Yet the balance within the Government is still very fine—possibly 60:40 for or against war depending on your informant and on his own position. Clearly, if Mrs. Gandhi cannot secure international promises of aid and firm commitments to pressurise Yahya Khan, the hawks will win support from the waverers. This is the argument which Mrs. Gandhi, whose own position is one of mystery and conflicting interpretation, has been employing on her tour with great force.

But she cannot be unaware that only after the war would the real problems begin. If India lost (the doves are arguing), then Pakistani reprisals in Bengal would continue with no one to stop them; the 9m. refugees would never return; and India's economic burden would be a crippling certainty. If India won, though, what on earth would it do with—or expect of—Bangla Desh?

This sort of scenario may be speculation but it is the sort of speculation which is not being adequately considered in war-fevered India to-day. A victorious India would have two alternatives: to leave Bangla Desh to its own devices, or to accept responsibility. For example, India could hardly shunt the refugees over the frontier and leave it at that: there would be chaos, especially since in the presumed absence of Sheikh Mujib there would be no strong leader around whom the new state could rally.

A constant danger

Yet, while it might be disastrous for India to deny responsibility and leave Bangla Desh unaided, hungry or warring Bengalis looking for someone to blame for their plight might not for long see the Indians as the deliverers. The Indian army could even inherit the West Pakistani stigma of an army of occupation, and there would be the constant danger of an awakening Bengali nationalism which could have wider repercussions to shake all India.

The prospects of peace or war must depend in the coming weeks on five factors. What is the true strength of the hawks in Delhi? What will Mrs. Gandhi's position be, as a result of her tour (is she a dove, or a gambler, or even out of control?). What are Soviet intentions in the region? How would China, preoccupied with domestic troubles, react to a war? Finally, what are the chances of persuading Yahya Khan to release the Sheikh and implement the democratic rule he himself proposed?

The last point is the most important because Yahya's obduracy is the base from which all else will proceed. If the President refuses to concede, then India is probably going to accept this as the best opportunity since 1947 to destroy the very concept of Pakistan. Can Mrs. Gandhi resist such a temptation? Or indeed, *ought* she resist?

Setback for U.S. aid

THE INTERESTS of the developing countries have received little consideration in the manoeuvrings of the rich countries over the international monetary crisis. Though the American Administration has now excluded textiles from the 10 per cent. import surcharge, as a result of the voluntary restraints on non-cotton textiles by Japan, Hong Kong, Taiwan and South Korea, a number of developing countries will find their exports to the U.S. seriously affected by the surcharge on other goods: Mexico, Hong Kong, Taiwan and South Korea together account for 70 per cent. of total exports from the less developed countries which will be subject to the new tax.

Real dilemma

The suspension of dollar convertibility, and the consequent flotation of most major currencies, has placed the developing countries in a real dilemma, and those which have decided to float their currencies with the pound (they include 22 members of the overseas sterling area) are bound to find themselves at a competitive disadvantage in the U.S. market.

To make matters worse, the foreign aid programme, which was due to be cut by 10 per cent. anyway as part of the August 15 package, has now been rejected *in toto* by the Senate. The story is not over; new efforts will doubtless be made by the Administration to restore the aid programme. But the Senate vote is not one of which Washington can be proud.

Even before last week's debacle, the U.S. was providing less in official development assistance than it ought, in terms of the size of its economy. Last year's figure of $3,050m. was the lowest in absolute terms since 1961, and even though private flows from the U.S. to the developing countries reached a new record of $2,753m., the total provision of private and official aid only represented 0.61 per cent. of America's gross national product, which was lower than any other leading donor country apart from Norway.

It is evident that the Nixon Administration feels that the U.S. can no longer afford to provide aid even at the previous level. Yet the fact remains that, during the 1960s the American economy expanded more than three times as fast as its total provision of development resources, and that by last year the U.S. only accounted for a little over a third of the aid provided by the 16 donor countries, whereas it represented very nearly half of their combined gross national product.

In these circumstances, the President's original proposal to reduce development aid by 10 per cent. was unworthy of a country whose past record has been full of generosity to less favoured countries. The reduction would not have had a serious impact on the overall U.S. deficit, but it would have had a serious impact on the economies of the recipient countries. The U.K. has not a great deal to boast of in its official development aid programme, but this was one area which did not suffer when Britain was in serious balance of payments difficulties, and last year the total flow of official and private resources exceeded the target of 1 per cent. of the gross national product.

Perhaps the most disturbing aspect of the U.S. aid controversy is the revelation that a very large proportion—some $2,000m. out of a total of $3,500m.—was military aid rather than economic development assistance.

Glimmer of hope

It was largely because of arguments over whether the U.S. ought to provide such military aid to countries like Greece, Cambodia and Laos, that the Bill was finally defeated in the Senate; yet Senator Fulbright evidently still feels that the U.S. cannot afford not to go on supplying arms to Israel, and appears to believe that the provision of military aid to South Vietnam is an essential concomitant to the withdrawal of American forces from that country. In this context a good deal may hang on President Nixon's forthcoming announcement on troop withdrawals from Vietnam, but it seems clear that Washington's reappraisal of the nature of its world role is not yet complete. The only glimmer of hope at present is that the Senate has approved the U.S. contributions to the World Bank and other multilateral agencies.

A statistical muddle

THE STATEMENT of the London clearing banks for the month to mid-October shows the same tendencies as before, but in greatly magnified form. Gross deposits, which rose by £121m. in the previous month, have now risen by a further £497m. Advances, which rose by £40m. before, have now risen by £358m. And the reserve ratio—the ratio of eligible reserve assets to eligible liabilities, which must not fall below 12½ per cent.—has moved up further to 16.5 per cent. It would appear that the banks are not only lending on a very large scale but are acquiring the funds which will enable them to continue doing so.

Distorted

But the figures, which are the first to be published for a full month of the new system of credit control, have been distorted by the transition. There is only a distant relationship, for example, between the old liquidity ratio—which the banks continue to publish because they consider it of commercial importance — and the new reserve ratio: Lloyds in mid-October had a very high liquidity ratio and a relatively low reserve ratio while the precise opposite was the case with the Midland. But there is not yet the experience to show how the reserve ratio will move from one time of year to another and whether the current figure of 16.5 per cent. is as comfortably above the minimum as it seems. The current liquidity ratio of 30.5 per cent. is not abnormally high, with the peak tax-gathering season only three months away.

A much more serious source of distortion is the fact that the banks have adopted different policies about the inclusion in their monthly statements of the wholesale operations — taking large deposits to be lent on, often for fixed periods—which were previously confined to specialised subsidiaries. Some have included them in part, some have excluded them altogether: the result is that the figures of deposits and advances are comparable neither with those of the previous month nor with one another.

This has two implications. First, the sharp overall rise in deposits and advances which took place during the past month is largely due to this special factor, which will continue to operate, and is no guide to the underlying trend of ordinary business. Second, it is not possible at the outset of the new era of competition to compare the performance of one bank with that of another—to evaluate, for example, the effect of the differential rates which the Midland is quoting for deposits of different size or of the cut in Barclays' base lending rate.

Uniformity

It seems to be agreed that the underlying trend of ordinary advances is continuing to rise, by perhaps something between £50m. and £100m. a month, and that the bulk of the new credit is continuing to go to personal borrowers and other purposes connected with consumer expenditure. This, however, is not good enough from the point of view either of the monetary authorities or of the general public. The Bank of England's paper on the new system of credit control envisaged that there would in future be "greater standardisation and uniformity" in the returns made by different forms of banks. The first set of figures to be issued after that paper shows such a decline in standardisation and uniformity—partly caused, no doubt, by the anxiety of each bank to seem to be growing faster than its competitors—as to be almost useless. The Bank will have to step in.

MEN AND MATTERS

Counting on a businessman's businessman

The appointment of Lord Thorneycroft as the first chairman of the British Export Board brings back into public life a man who, since he signalled the end of his hopes of returning to the Commons and active politics by accepting a peerage in 1967, looked as if he had settled for the anonymity of the boardroom. He has made the odd, fairly trenchant speech in the Lords ("Mr. Macmillan found it exciting to live on the edge of bankruptcy," he once told them), but Thorneycroft says firmly he is no longer any sort of politician. The speeches arise because "after a lifetime of speech-making, it becomes a bit compulsive." He is now—and he comes from a long line of Midlands ironmasters—quite definitely a businessman, chairman of the British ends of two European companies, Pirelli and Pye of Cambridge (the Philips subsidiary) and on the boards of Securicor and Trust Houses Forte.

The change in his life, after being an MP from 1938 to 1966, President of the Board of Trade, Chancellor of the Exchequer, Minister of Aviation and of Defence, fits him well for the Export Board job. One thing the chambers of commerce and export trade associations could not have stood was a politician. After a six month hiatus when no-one knew how our export promotional activities were to be co-ordinated under one roof, the chambers of commerce, which were not broken hearted by the death penalty served on the British National Export Council, will settle for Thorneycroft as a "businessman's businessman." They already know and like him from his work on SITPRO, a committee to simplify export procedures and documentation.

Thorneycroft counters by saying the Board must try to be an "organisations' organisation. It is an instrument for their use, and rather a good instrument, I think. It is the first time exporters have got their hands on a bit of Whitehall"—the 1,300 civil servants which will be provided for the Board.

Among all this businesslike talk, one unbusinesslike and rather heartening fact stands out: neither Thorneycroft nor his Board will be paid for their efforts.

Zaire's trouble

A terminological problem has the British and American ambassadors in Kinshasa rattled. They cannot find a convenient English term for the country's people. Congolese used to be Congolese. They were citizens of the Democratic Republic of the Congo. They are now, since a sudden decree from President Mobutu last week, citizens of The Zaire Republic.

For francophone nations Mobutu went out of his way to solve the dilemma. He decreed that the man in the street was a Zairois and his wife a Zairoisese. Mr. Mark Allen, our man in Kinshasa, suggests they should be called Zairians in English but some name must soon be found to differentiate them from their unit of currency, the zaire. The Congo River has also been renamed Zaire, a title it once had in pre-colonial days.

But across its 3-kilometre breadth from Kinshasa is Congo (Brazzaville) or, to use the official title, The People's Republic of the Congo, intact with Maoist sympathies and no name change. It still calls its half of the river The Congo.

Back in London the Foreign Office is not going to be caught out by any precipitate action on the changed name—"You see, we have not exactly been officially told about it yet."

Two happy endings?

The trouble with the company doctor role is that just after you have done the hard work of turning a company round and are about to enjoy the benefits, up comes some bigger company which has spotted what is happening and buys you out. At that point, as often as not, the doctor is out as well. But the drink business, within the last week, has thrown up two cases with a twist at the end of the story.

Trumans and Tizer are at opposite ends of the market, but with many similarities. Both, under new managing directors, were making drastic changes in their marketing image and confidently forecasting recovery. Then came the battle for Trumans and managing director Mr. George Duncan, having backed the wrong horse (Watney) duly left after Grand Metropolitan's victory. The twist came last week when Duncan got the top job at Watney, a brewer five times the size of Trumans. And now that the Slater Walker satellite, Armour Trust has made an agreed bid for Tizer, Mr. Peter Quinn is confident he will not prove one of the company doctors who goes out with the bid. He stays as chairman and managing director, with the same team he has built up since he became m.d. just under two years ago, and "Since we're really only half way through the recovery programme, it would be silly to leave now."

Quinn, an accountant by training, came to Tizer when the institutional shareholders, having watched the company's profits fall steadily from a 1961 peak, insisted on a new boss being appointed from outside. A year later, Slater Walker bought a quarter of the equity from the founder of the firm's trustees. "But they kept their distance," says Quinn. SW did not, for instance, ask for a place on Tizer's Board, a sure indication it was contemplating a full bid. When talks finally started, the terms were agreed quickly, including the stipulation that Quinn would be left in charge to get on with the job of reviving Tizer's fortunes. He anticipates staying at least two years, when profits should be back to "normal."

It's sinking in

Overheard yesterday in the French Commercial Attaché's office in London, an official was answering a phone with growing ill humour. "No sir," came his first answer, "France is not in the Commonwealth." "And no sir," came the second, "you have not just joined the Commonwealth, you have joined the EEC."

Observer

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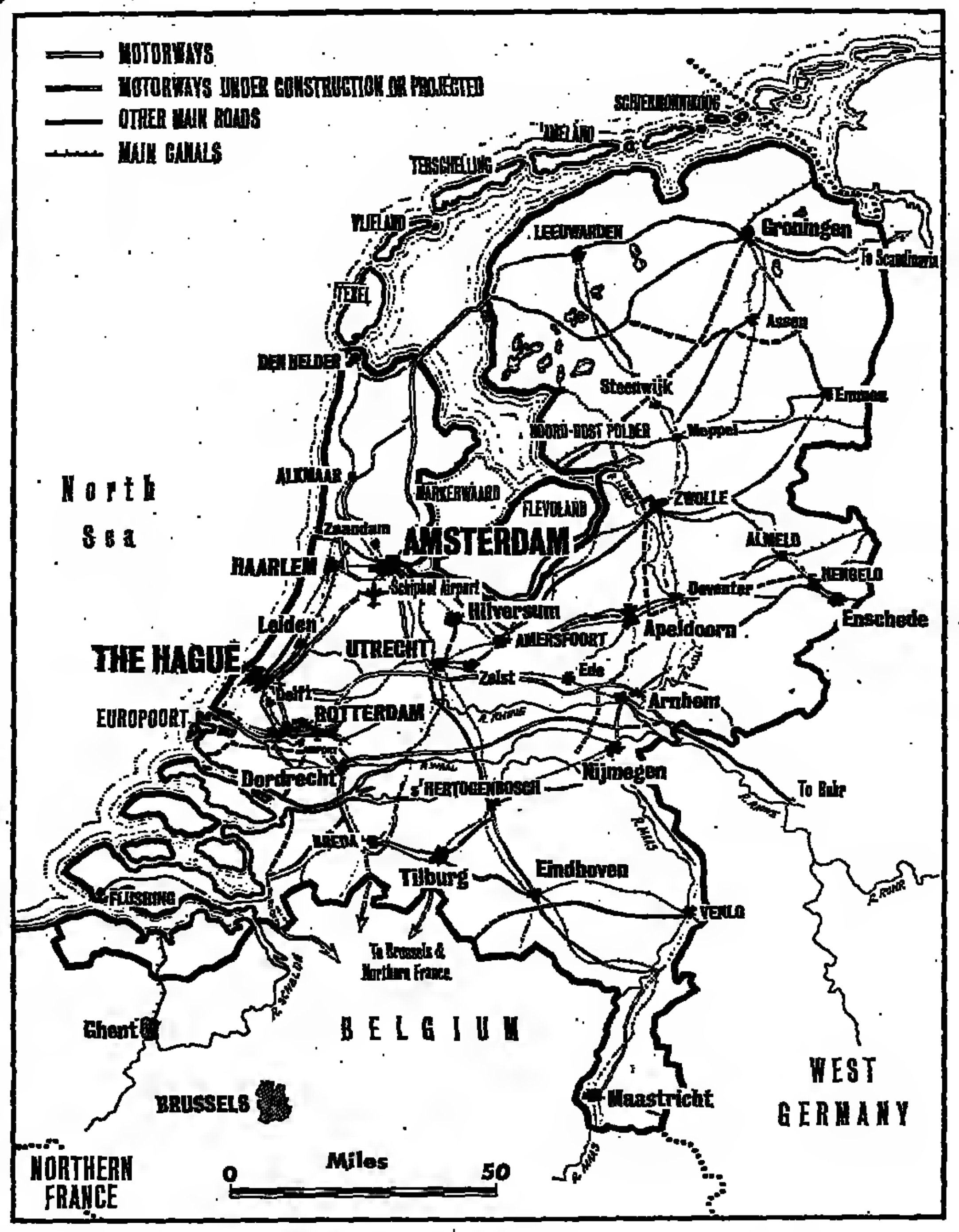
NETHERLANDS

FINANCIAL TIMES SURVEY



A return to tranquillity

y LORELIES OLSLAGER

The Netherlands to-day, there no doubt about it, are in e economic doldrums. If stag-flation"—or the "British sease," as the Dutch prefer call it—has not actually rived, it certainly seems unmfortably likely to do so ext year, with rising wages d prices, declining growth in NP and productivity and a ll in employment and investent. On top of this, there already speculation that the w Government, which came power last July, may not st out the full four-year parliaentary term.

Yet in spite of this, violent cial upheavals seem less likely threaten the system than ey did a few years ago when e tranquil Dutch suddenly und themselves confronted th a host of revolutionary—at least anti-establishment—ovements. To judge from tha blic mention they receive, en the Kabouters, that allurg group of mischievous tivists who won five seats the Amsterdam City Council t year, might as well have ne up in hashish smoke.

Slow change

What is happening in the therlands is a slow, painful ange in the political and ial climate which, is still sed on consensus and comomise rather than on a flict model of society. On other hand, consensus will doubtedly be more difficult achieve as the Dutch slowly andon their habit of thinking terms of religious denomina- n first and social divisions ond and adopt a more secularw of society and its conting interests.

big test lies immediately ad as the unions and employer federations (still divided into religious groups) are trying to hammer out a central wage pact which will be of crucial importance for the economy.

One of the first acts of the new Government waa to abandon all claims to Government interference in wages and prices (which had heen a more or less permanent feature of Dutch life since the end of the war and had proved futile in the end) and to give the two sides of industry a completely free hand.

Everyone agrees that something must he done about inflation, yet the unions and employers are still far apart. At present, the only thing that nnites them is fierce opposition to any suggestion that the Government should again interfere with their new found freedom. However, although they acknowledge that things may have to get a lot worse before they get hetter, nobody seems to think that the era of Dutch labour peace has come definitely to an end.

On the political front, a similar "polarisation" — currently a favourite word in the Netherlands—is apparent. Last April's general election saw a further erosion of the position of the denominational parties of the centre, and increase in the votes for both moderate right and left. (Under the Dutcb system of pure proportional representation, a plethora of small extremist or interest groups is always represented in Parliament, but their influence is slight. In the present house, 14 parties are represented, of which only seven or eight count.)

The election campaign had been fought almost exclusively on the issue of public spending, welfare and taxation. Perhaps not surprisingly in a country that spends nearly 50 per cent. of its national income in taxes and social security contrihutions, one of the higgest successes at the polls was achieved by a party that promised to clip the wings of the public sector.

Nevertheless, DS (for Democratic Socialists) '70 remains an enigma in Dutch politics. Many of its votes came from the right, yet its hest-known members had their roots in the Dutch Labour Party, alheit on its right wing, and nobody knows for sure which way the party will eventually go or wbether in fact it will become a permanent feature on the political scene.

BASIC STATISTICS	
Area	13,500 sq. miles
Population	13m.
GNP	£12,260m.
Per capita	£940
Trade (1970)	
Imports	£5,806m.
Exports	£5,101m.
Imports from U.K.	£377.8m.
Exports to U.K.	£459.1m.
Currency £1 = 8.35 Guilders	
1 Guilder = 12p.	

On the other hand, the Lahour Party—not long ago in a bad decline—also managed to increase its vote considerably on a programme of increased taxation and public spending. It attributes its success less to this issue than to its attempt, for the first time in Dutch history, to present itself throughont as an alternative government, complete with shadow cabinet, alternative budget and a pledge that it would not ahandon any of its plans for the sake of taking part in a coalition. This posture was adopted on the prodding of Labour's ally, the D (for Democrats) '66, which jnstifies its name hy insisting that the people ought to know, and certainly ought to know whom and what exactly they are voting for.

What the Labour Party did, and did very effectively, was to bar itself from any role in the Government by insisting before the election that it would only enter into coalition with the denominational parties if they agreed to a joint programme to be submitted to the voters.

This the Christian parties, concerned about losing votes by putting a foot wrong on either side of the political fence, refused to do. In effect it may have heen just as well for Labour that it did not get involved in any coalition compromise, since the Dutch unions are extending their interests heyond wage bargaining and are producing social action programmes of their own.

Yet a comparison with the social activism of the Italian unions, for instance, is otily half valid. Unionists maintain that they have no intention of interfering with the business of Parliament, and Dutch moderation is plainly visihle in their proposal to forgo some rise in real spending power in order to prevent their social programme from appearing inflationary.

As for the three main Christian parties (one catholic and two protestant), who now bave 58 seats in the Honse compared to 66 in the last parliament, their spending plans were much closer to those of the Social Democrats than to those of their right-wing coalition partners. But even if Labour had not foreclosed a left-centre coalition, their position would still be an unhappy one. Once the strongest pillars of Dutch society, they have not yet found their role in the new secular world. Their attempt so far to merge into one non-denominational party of the ceotre have failed, and they are hadly split hy left-right divisions among themselves.

This inevitahly makes the Christians the weak element in the present coalition, which besides DS '70 also includes the Liberal Party—in full the People's Party for Freedom and Democracy (the Dutch equivalent to the Conservatives if one is to be fouod at all). It is perbaps an indication of how much Dutch politics are still orientated towards the centre that nothing scares the Liberals more than to bave the conservative lahel officially attacbed to them.

Weak element

Formation of the new Government was as usual slow and painful, and bad the economic situation not been so had it might never hava come about. As it is, the circumstances dictated the strategy. DS '70 accepted that it was impossihle to cut Government expenditure in a situation where rising wages and prices were forcing it up automatically and that taxes would have to go up next year, and the denominational parties agreed to cuts in expenditure to avoid too inflationary a hudget.

One sector that survived comparatively unscathed is the housing programme, the public issue number one at present, wbere serious trimming would have been suicidal for the Government. It is an odd flaw in the picture of a country where the legal minimum wage for male workers is nearly £1,100 a year, and where the national pension for a married couple is £14 a week, that there should be a serious housing shortage. Yet it is reckoned that there are some 60,000 homeless families and 500,000 to 600,000 sub-standard dwellings. The Government has promised 130,000 bousing starts next year, to be stepped up by 1,500 a year until 1975. The opposition wants 200,000 starts a year for the next three years.

Some Liberal supporters argue that huilding and rent control liberalisation began too late, with the result that about one third of those living in subsidised houses and flats earn enough to pay the full market rent while many young couples and elderly people are forced to pay rents far beyond their means for non suhsidised houses.

The second area in which puhlic opinion is forcing the Government to act is pollution. Having bad to live for years with the waste of Switzerland, Germany and France flowing down the Rhine, the industrialised west of the Netherlands was hit by bad smog earlier this autumn—so badly that some workers in Rotterdam walked out in a "wild strike" because they claimed they could not hreathe any more. Far from heing a fashionahle middle-class concern, protection of the environment has snddenly become a major popular issue.

The pollution argument has also lent new urgency to Dutch efforts to help the underdeveloped regions in the north and the extreme south of the country. Some help has always been given to the north, hut a new drive is underway to actively discourage further investments in the west, in the area around Amsterdam, Rotterdam and The Hague where major industry is clustered and where nearly 50 per cent. of the Dutch population live on ahout 20 per cent. of the country's territory.

None of these three domestic priorities, nor the more flexible foreign policy that is expected from the new Foreign Minister, Norbert Schmelzer (as demonstrated by the Dutcb decision to vote for the exclusion of Taiwan

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NETHERLANDS II

Economy hit by infla tion

By LORELIES OLSLAGER

A favourite joke among Dutch economists and businessmen these days runs as follows: A young man, having jnst bought his first colour television set, is so delighted with it that he goes up to Mr. Philips (of that well-known concern) and thanks him profusely for having brought out such a marvellous product. "Oh," says Mr. Phillps, "so it was you who bought that set, we had been wondering. . . ."

In the present state of the Dutch economy, it is not only an "in" hut a sick joke as well, although Philips' troubles, which hrought share prices down from Fls.67 (£8.50) in the summer of 1970 to about Fls.35 last month, were caused by world-wide rather than just domastic factors and although insiders suggest that the worst may be ovar.

But Philips' recovery will to some extent depend on what is going to bappen in the Netherlands, and there the prospects look grim. This year was bad enough, with wages rising by 14 per cent., consumer prices by 6.5 per cent., GNP beginning to grow more slowly, although still at 5 per cent., and growth in industrial investment dropping from 11.5 per cent. in 1970 to 7 per cent. Numerous smaller companies, particularly in the underdeveloped north, have gone bankrupt and profits in relation to capital invested are said to bave dropped from 6 per cent. after tax to 3 per cent.

Shrinking profits

The rise in costs and shrinking of profit margins have already pushed unemployment up slightly to 1.5 per cent. The balance of payments deficit on current account is threatening to reacb a record Fls.2,000m. (£240m.), largely because of worsening terms of trade. compared to Fls.1,600m. (£194m.) in 1970 and only Fls.20m. (£2½m.) in 1969.

For next year, the Central Planning Office, assuming a slowdown in the growth of world trade, has forecast worse to come. While wage and price rises are to be about the same (13.5 per cent. and 7 per cent. respectively), gross industrial investment is expected actually to drop by 5 per cent. and growth in GNP and productivity to slow down to 3 per cent.

Wage costs per unit in Dutch manufacturing are expected to rise hy 8 per cent. compared with an expected average increase of 4.5 per cent. abroad. The only glimmer of ligbt seems to he in the balance of payments, wbere the deficit on current account is expected to drop to between Fls.1,000m. (£120m.) and Fls.1,250m. (£150m.). But for a healthy equilihrium, it is reckoned, the Natherlands would need a surplus of about Fls.1,000m.

Real disposabla income is expected to rise by 4 per cent. This is possible because since 1969 collective labour agreements all contain an "indexation" clause, automatically adjusting wages to rises in the cost-of-living index, including indirect taxation and social security charges.

Although some people argue that the planning Office'a forecast has to be taken with a pinch of salt, as it has been known to nnderestimate Dutch growth before, there is general agreement that moderation on the wages and prices front is called for. Yet how this should be achieved remains a matter of so much controversy that possibly nothing will be done.

The Government, exasperated with attempts to curb inflation by decree—the wage and price freeze imposed for the first six months of the year bad virtually no effect at all—has pnt the ball firmly in the unions' and employers' court and bas said that it will not interfere in wages and prices again.

The bargaining positions of the two sides of industry remain wide apart. The quarrel is over wbat real wage rise there sbould be, as both the Government and employers accept that indexation has come to stay.

Welfare spending

In addition, the unions have complicated the situation by insisting that any new wage pact must not only involve some change in Government policy on welfare spending, but also curhs on industrial investment, which they blame for the overheating of the economy. The employers admit that a hoom in investments in recent years bas taken place, hut say that in the present situation any curb on investments would be counter-productive.

There is also some doubt whether any central wage agreement would be really effective. After years of Government interference, be it through outright freezes, cajoling or persuasion, individual Dutcb employers and unions may resist any attempt to impose conditions on their bargaining, even if it comes from their own headquarters. Like everywhere else, shop-floor hargaining is growing. The unions' proposal that wage rises sbould not be on a percentage basis but that everybody should be given a flat rise of Fls.450 (£54) next year may get them into trouble with their better paid memhers.

With wage and price controls ruled out, the only weapons left to the Government are bndgetary and monetary policy. Yet here too, with strong political pressures for more spending on welfare and inflation imposing *its own conditions, the room for manoeuvre is limited.*

The new Government inherited a budget deficit of Fls.3,900m. (£400m.) (*Fls.1,300m. more than forecast*) for the current year, of which Fls.500m. (£60m.) can only ba found through recourse to inflationary financing. For 1972, tha Government has submitted a fairly neutral budget, which will reduce inflationary financing to nothing by a combination of spending cuts, extension of the fiscal regulator that was imposed on income-tax, road tax, wages tax, company tax and petrol duty last year and raising it from 3 per cent. to 5 per cent. There will also be other tax increases, and a speeded-up collection of taxes. It is hoped to use Fls.500m. of the yield of the tax regulator for a reduction in the money supply.

During the first nine months of this year, Dutch anti-inflationary efforts have been constantly upset by a large inf of foreign capital — ab Fls.1,800m. (£215m.) net—a on September 4 restrictions we imposed on foreigners buyi Dutcb bonds.

But how effective measure it is remains to seen. One school of thou claims that foreign money c still enter via Belgium, w whom the Netherlands h been floating jointly since early days of the internatio currency crisis last August, the capital market certainly not become as tight as expect

The Dutch are certainly m reluctant floaters. They deci to go with the D-Mark last not because they felt that th currency was undervalued, because, with over 30 per c of their exports going to G many and over 25 per cent. their imports coming from the they had no other choi In view of the pres economic situation, the hope that the Guilder will come do quite a bit, perhaps to 3 cent.

Import surcharge

On the trade front, Presid Nixon's import surcharge di not pose special problems, si only about 4 per cent. of Du exports go to the U.S. *But w* worrles business quite a lot the prospect of an increa Japanese export drive in ot markets. In addition, the p sibility of other countr retaliating and an internatio trade war developing is a da ing prospect for a country t exports nearly 50 per cent. its GNP.

Failing any agreement moderation on the wage fr (and such an agreement wo take at least a year to w through the economy), the concrete hope of Dutch busi men is that the West Ger Government, aware that i facing a general election in will decide to stimulate economy in autumn next y thus giving immediate relie its western neighbour.

Concern over exports

By JAQUES ROUW

During 1966-67 Dutch exports rose by 8 per cent. In 1967-68 they increased hy 15 per cent., in 1968-69 by 20 per cent. and in 1969-70 by another 18 per cent. Over the four-year period an increase of 75 per cent.—no mean performance, even taking into account that the 1970 guilder was not quite what it was in 1966. Yet in spite of these favourable figures the Dutch export organisations are worried. They fear that the Netherlands are gradually losing their competitive position.

Not all signs point that way, but then, signs can be deceptive. Some optimism can be derived from the fact that Dutch export prices have moved up hy a mere 7 per cent. since 1964, while those of the main competitors have increased by double that amount. Unfortunately, bowever, this has not been so much the result of the stringent cost-control on the Dutch side, as the outcome of fierce competion in those areas wbere the Netherlands' industrial exports are concentrated, such as chemicals, petroleum products and electrical appliances. The exporting industries are currently experiencing the effect of rising costs on the one hand and poor selling prices on the other.

For years the rise in wages—more prominent in Holland lately than in many other industrialised countries—has been the basic source of worry for those wbo carry responsibility for the Dutch export performance. Recently, however, a new area for concern has emerged: the international monetary uncertainty, causing additional handicaps.

The monetary development of the past few months has brought the country some trade advantages, certainly. The West German D-Mark has floated upward more rapidly than the guilder, giving Dutch products an edge over those of West Germany, not only in Germany but on other markets as well, and at bome.

The benefit, however, is offset by tbe fact that the guilder, though it has become devalued compared with the D-Mark and some other monetary units, bas floated upward in relation to most currencies—a development which according to some experts, is inspired less by reason than by emotional considerations. Beyond doubt any Dutcb Industry or organisation engaged in exports, trade or services abroad, bas experienced the increase in value of the guilder on the international markets as an addltional burden. Obvinus examples are the KLM airline and the shipping companies, confronted with product prices set by international standards or agreements. Yet the effect ls general, and with world markets being wbat they are, the loss on the monetary side can seldom be recouped by higber selling prices.

Worried as he may be in respect of the conntry's short term export results, Mr. Van den Bergh foresees tbe need for enormous improvement. "Growth of our exports has become, more than ever, a condition for maintaining employment and prosperity in the country."

Growth rate

The increase of Dutch exports bas exceeded the increase in imports each year during the 1966-69 period. Last year, however, the export growth rate fell back from 20 to 18 per cent., while imports went up by 22 per cent., against 18 per cent. in 1969. As a result the export-import ratio dropped from 91 by the fact that the Guilder. to 88 per cent. and trade has come to show a deficit of nearly Fls.6,000m. (£700m.), compared with a deficit of Fls.3.700m. (£420m.) in 1969. This trend is expected to continue this year and possibly througb 1972. Moreover, the influx of capital, wbich has been so prominent for some years, cannot be counted upon to continue offsetting tha deficit now that the Netherlands Bank bas taken maasures restricting the free entry of "hot money."

Major gains in Dutcb exports have come from sucb bulk products as iron and steel, plastics, organics and other chemicals. Star performers, bowever, have been the products of livestock farming: last year tha Netherlands exported meat, dairy products, poultry and eggs to a value of some Fls.5,000m. (£600m.), giving the country a leading position in the world in this area. The increase in imports has been due mainly to additional demand for macbinery, crude oil, iron and steel, cars, optical instruments, cereals (grain, wheat, etc.), fodder and plastics.

This year exports are expected to increase at only half the 1970 rate, mainly hecause productive capacity has reached a temporary ceiling, especially in the oil refining industry. Invisible exports are actually expected to move down, primarily hecause of a reduction in tonrist arrivals, whlcb again is attributed to the world-wide slowdown in economic growth.

An increase in exports may be essential to bring the balance of payments to a new equilibrium and it is certainly vital to the exporting companies. To offset the ever mounting labour costs, productive capacity must be expanded, requiring the outlay of enormous sums. On the home market profit margins have narrowed to an extent which has been called alarming by several authorities, wedged in between rising costs and a fairly effective price control. Anyway, to many Dutch industries the Dutch market has become a hunting ground which is considered too limited on the one hand and too crowded on the other, now that inter EEC boundaries have lost most of their restrictive aspect as far as industrial products are concerned. With the enlargement of the EEC this tendency will become more marked and the need to hoost exports will accordingly become more obvious.

The Import surcharge decided upon hy President Nixon haa been regarded in the Netherlands as a breacb of confidence. Resistance ls slowly building up, even though it is generally realised that retaliation may rebound on the national economy, which is so dependent on unimpeded international trade.

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from the United Nations) is likely to cause the Government any Immediate trouble with its supporters in Parliament.

But the first real danger will come next summer, when the 1973 hudget has to be prepared. The conflict over taxes and public expenditure, so precariously kept in check this year, is likely then to break out with a vengeance. The probability at the moment is that the Government will survive, simply because the religious parties will still find it difficult to accept Labour's condition that tbey must pick their coalition partner before polling taken place.

If the economy goes from to worse, on the other h the coalition's prospects holding on to office look tively good. There is gen agreement that unemploy will not be allowed to rise m above the 2 per cent. n without some reflatior measures by the Governme notwithstanding the balance payments (tbe Netherla have very bealthy reserves) some bankering among ban and industrialists for "Britisb cure" to the "Bri disease."

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NETHERLANDS III

Quiet year for the banks

By E. DAMEN

The dramatic development in the international monetary field bas interfered little with the steady development of the commercial banks in the Netherlands this year. The floating nf the guilder, wblch was decided upon on May 10, shortly before the boliday season, has caused foreign exchange dealings to become slightly more profitable to commercial banks than they had been in previons years. Apart from this several banking groups have entered the tourist business outright by offering travel agency services.

The concentratinn of Dutch banking bas not progressed much this year. There has been a closer alignment of the agricultural credit hanks, which now possess a national network of nearly 3,000 branches. Also a number of small banks have been absorbed by bigger nnes. An example is Landry en Van Tili in The Hague—a banking house not particularly active internationaliy — which was taken nver by the Amsterdam-Rotterdam Bank.

After the guilder was floated, stable exchange rates ensued fairly quickly for tha major currencies. In respect of the dollar the guilder is now being transacted at about 2.5 per cent. above its previous official rate. The premium against sterling has rarely been more than 1 per cent., the purchasing rate for sterling being a fairly stable Fls.8.30.

The guilder is presently transacted at a discount against the Swiss franc and the D-mark, the D-mark having gained about 3.5 per cent. the Swiss franc 5 per cent. As about 30 per cent. of Holland's foreign trade is with West Germany, the nverall effect of the floating is a deterioration in the terms of trade, which has become an additional source of inflatinn, now somewbat rampant in the Netherlands.

Common policy

After the dollar was officially disconnected from gold on August 15 the Netherlands and Belgium decided, during one of the many monetary conferences which were held between the members of the EEC, on a common policy which in fact meant that the former official parity between guilder and Belgian franc was to be reinstated. For some weeks during August and Septemher the Dutch banks had to contend with a considerable inflow of Belgian francs. These were passed on to the Netherlands Bank, which added them to the official foreign reserves.

This situation was qulte the reverse of that, shortly after World War II, when Dutch foreign reserves were at low and the Belgian central bank bad to maintain substantial amounts of guilders to help finance Dutch imports. In this way Belgium, like the U.S. and Britain, unobtrusively but effectively assisted in the recovery of the Dutch economy.

With the emergence of floating exchange rates the Dutch hanks' activity in the Eurodollar market has diminished considerably. Also the commercial banks' balances beld abroad bave gradually disappeared.

An agreement formulating lending policy bas been in force between the Central Bank and the country's smaller financial institutions. Every three months credit ceilings are defined. hased on growth percentages—a growth which has gradually been restricted from 10 to 2 per cent. The commercial banks and the agricultural credit banks as a group have not exceeded this ceiling since August, 1970, thus avoiding heing compelled to maintain compensatory deposits (carrying no interest) with the Central Bank.

For some months now demand for credit by trada and industry bas been diminisbing: on the one hand economic activity has heen slowing down, resulting in less investment, and on the other the inflow of Eurodollars has caused a considerable increase in domestic monetary liquidity. This was particularly marked during the weeks folinwing August 15. Dollars poured into the country as high-yield bonds were purchased on the Amsterdam stock exchange. As a result the Dutch balance of payments, which should have indicated a deficit on a transactions basis, came to show a marked surplus.

When the national liquidity quote entered the danger zone (an average liquidity quote of 34 per cent. has been set as the upper limit hy the Netherlands Bank) measures were taken to combat the inflow nf dollars. Most important was the creation of the "O-guilder" (the "O" standing for "*obligatie*") meaning "bond." Aliens would henceforth require O-guilders to buy guilder-bonds in the Netherlands. O-guilders originating from the sale of guilder-bonds by aliens to Dutch nationals.

An O-guilder market was set up rapidly, and the O-guilder now sells at a 2.5 per cent. premium. This corresponds roughly with the premium the guilder has acquired against the dollar.

Less profitable

While lending by the commercial banks has showed no great increase and has become less profitable as a result of the gradual lowering of the official bank rate (reaching S per cent. on September 15), the banks' income from stock exchange and issuing activities bas remained meagre. The Amsterdam stock excbange, though showing a fair amount of resistance until ahout the middle of the year, bas since turned downward. On the whole tbe climate on the stock exchange has become increasingly less favourable to stock issued by public companies during the past few years. Shrinking profit margins have not, as a rule, been favourable either. As a result Dutch banks have had little business in assisting the issue of stock this year. Bond issues, however, have occurred frequently. As in West Germany, in the Netherlands the Central Bank acts as a regulator in such cases. Most nf the hond issues are on hehalf of the Central Government, other public authorities (provided for hy the Bank voor Nederlandsche Gemeenten) and semi-public bodies, such as institutions for medical and social care. Only a small group of big, internationally active companies have placed honds or notes in the ioternational capital market during 1971. Loan issues by foreign bodies are admitted only very occasionally in the Netherlands.

Because of measures which restrict Dutch banks in their lending activities, and because of the relatively modest growth of the banks' assets, industry and trade have been hampered in finding credit and capital on the open capital market or with the banks. Even companies of secondary importance now keep in close touch with institutional investors, sucb as insurance companies, pension funds, etc. Dutch banks traditionally have a commitment to arrange such finance, but they have now gradually withdrawn, leaving the provision of medium- and long-term capital increasingly to others.

Unlike banks in West Germany and Belgium, Dutcb banks participate little in industrial enterprises. Bankers may not be an exception on the Boards of directors of Dutch industries but they are certainly not the rule. Representatives of the institutional investors, however, are occupying an increasing number of seats on these Boards.

Strong link

Although the banks' abstinenca in respect of industrial sbareholding may be traditional, concessions have been made after the country's period of intensive industrialisation during 1945-70. Also, sufficient points of contact were maintainad through "personal relations." The strong link which exists in other countries, as a result of direct participation by the banks in the capital of industrial enterprises, has never developed in the Netherlands. The social develnpment which is nnw emerging more clearly is likely to prevent such relationships in the future. As it is, through taxes and social dues, nearly half of the oational income is channelled to the Government first. In spite of tbis the Dntch saving qnota is 18 per cent., no mean performance, even though this figure includes capital investment by the Government, enforced savings sucb as pension contributions and additions to the reserves by industry.

As a result the Dutch banks simply do not have the means to provide trading and industry with any major financing.

The new section of the Amsterdam-Rotterdam Bank head office in the Rembrandtplein, Amsterdam, is shown here as seen from the River Amstel.

Foreign investments

By L. A. V. METZEMAEKERS

Traditionally the Netherlands have been considered an attractive country for foreign investment. The main reasons for this were the geographical location on tha North Sea with ready access to the main European inland waterways and roads, an excellent communications network, a favourable international climate due to a long history of international trade, the presence of a number of multinational companies such as Philips, Royal Dutch, Unilever and AKZO and a widespread knowledge of foreign languages, in particular Englisb, among the population.

Exact figures for the amount of foreign investment as a proportion of the total are nor available. The U.S. share was estimated at about $1,300m. in 1970, representing about 12 per cent. of the total U.S. investments in the EEC countries. Since 1958, whan the Common Market was set up, direct investments from member countries, in particular from Germany, have increased considerahly.

It has been Government policy since 1950, to stimulate foreign investments as an important factor in the industrialisation process, one that is needed as a result of the rapid increase of the population and the loss of the East Indies. Financial incentives have been given by the State fnr investment in underdeveloped areas in the Nnrthern provinces, and in the south of Limburg, where the coalmining industry was due to be terminated. Up to 25 per cent. of the initial investment costs can be paid to foreign and home companies alike.

Harbour areas

Due to over-investment in the Western provinces and in the harbour areas of Rotterdam in particular, the Government is now considering a system of investment licences for these areas. A tax on company buildings constructed in the heavily industrialised areas bas recently been introduced. All new investment plans in the west of the country are carefully scrutinised as to their effect on the environment. Air and water pollution is one of the biggest problems, and strict conditions in this respect are outlined to companies willing to invest in the economically more attractive western areas.

Labour shortage is still a big problem in the industrialised regions. Full employment, therefore, is no longer a matter nf first priority in the Government'a economic policy. Equal distribution of industry over the whole country and an equal share of the environmental disadvantages of industrialisation are the new aims.

It is therefore extremely difficult for foreign investors to obtain an investment licence in tbe western half of the country. Only concerns wbich need to he located in harbour areas stand a chance.

Another reason

The current financial situation in the Netherlands is another reason for a restrictive policy. The present Government is studying methods to regulate investments in general, including foreign investment. The possibility of raising capital locally is very limited, due to the credit squeeze and heavy Government loans as a result of budgetary difficulties. In this respect there is non-discriminatory treatment of foreign investors. As a result of a ruling of the EEC Commission in Brussels, the monetary authorities had recently to abolish the existing regulation that foreign investors had to import at least 50 per cent. of the capital invested from abroad.

The present nutlook for foreign investments are far from bright, as is the case with all investment activities. Foreign labour workers still come in but in decreasing numbers. The Government is convinced that further immigration is undesirable because of existing over-population, the continuing housing shortage and the social problems of adaptation.

During last few months, however, the economic activity has been stagnating and the labour shortage is diminishing rapidly. In view of the concentration of unemployment in particular areas of the country, it is not unlikely that in the near future the Government will be forced to stimulate industrialisation in these areas and make foreign investment in a limited number of industrial sectors (so-called clean industries) more attractive.

From the U.K. there is increased interest in takeovers of Dutch firms or participation in them. A growing interest in Dutch firms can be expected to open capital sources from the U.K. or other countries.

NETHERLANDS IV

Huge successes in energy production

By ADRIAN HAMILTON

After a decade of rapid growth and radical change following the discovery of the vast Groningen gas field io 1959, the Dutch energy scene appears to he seitling down to a decade of more relaxed enjoyment of the fruits of these developments. For a soiall country, it has been both fortunate and long-sighied in energy matters. The growth of "oiammoth" taokers in the oil industry, coupled with the intensive development of Roiterdam-Europort as a terminal to take them, has enaoled the country to become not only a major importing centre for crude oil in Europe but also a considerable refinery export centre for crude oil products.

Last year, for instance, the country imported some 67m. tons of crude oil, compared with 48m. metric tons in 1969, and exported 37.6m. tons, an increaso of oearly 17m. tons on the figure for the previous year. Exports of "black oils" alooe rose from 14m. tons to 23.1m. tons, while exports of crude oil went from 1.1m. tons lo 7.7m. tons. This was far greater than any other country in Europe and formed over 45 per cent. of the total export movements of oil in the EEC. Though some at least of lhis record was due to the unique fears of oil shortages in Europe at the beginning of last winter, and although the room for growth in terms of new refineries may now be hecoming rather less, there is little sign that the country is in danger of losing this position in Europe. Demand remains high and the attractions of the Netherlands as a major import and refining centre continue to be high. The major pipelioe arteries from the Netherlands into Germaoy and Belgium are being expanded; BP, Chevron and Shell are all undertaking suhstantial programmes to iocrease their refinery capacity in the Rotterdam area, and there are at least three new refineries in the planning stage in the country.

Internally the dominating factor in the Netherlands has becn the rapid huild-up of natural gas supplies. Total recoverable reserves in the country are now estimated to he 2,000 milliard cubic metres, the bulk of which is concentrated in the northern part of the country in NAM (50 per cent. Shell, 50 per cent. Esso) concession. The gas is produced hy a financial partnership in which NAM holds 60 per cent. and the Dutch State Mines the remaining 40 per cent., and is distributed by a further group, NV Nederlandse Gasunie, in which Shell and Esso have 25 per cent., the Dutch State Mines a further 25 per cent. and the Netherlands Government, 40 per cent.

The basic marketing policy has rested on an early huild-up of supplies through hulk sales to industrial consumers and the electricity industry, coupled with a pricing policy in which the price of gas is pegged to that of industrial fuel oils within a certain ceiling. Despite the relatively high price that this has entailed, the industrial value of gas in terms of quality and pollution-free factors as well as availibility bas encouraged strong deoiand in most sectors. Production has increased from some 330m. cubic nietres to 31,400m. cuhic metres last year and is expected to more than double over the next few years to a level of around 80,000m. cuhic metres in 1975, by whicb time it is likely to account for as much as half of Western Europe's total production.

Gas supplies

About two-thirds of present output is consumed within the country and gas supolies, at 22m. metric tons of coal equivalent covered nearly 30 per cent. of the country's energy requirements, against 34m. tons coal equivalent for petroleum and 7m. tons for coal. Of the 20,136m. cubic metres of gas sold io the Netherlands last year, a high proportion went directly to industry and a total of over 4,000m. cubic metres went into electrical power statioos.

With new conversion and power plant coming into services, sales for electricity generation, both through power stations and total energy systems, are showing particularly strong growth, and hy 1975 gas is expected to generate as much as three quarters of the electricity in the country with some 13,000m. cubic melres being sold to electricity producers. In additinn, about 10,000m. cubic metres is likely to go tn other industries and more than 17,000m. to local gas distribution companies for domestic and smaller commercial and industral consumption.

The main factor of natural gas growth in the present decade will he exparts under cootracts now signed with Garman, French, Belgian and, more recently, Italian and Swiss customers. Exports last year totalled about 11,271m. cubic metres, or ahout 36 per cent. of total production and, as the major contracts build up to full flow in 1974-76, the total should reacb a level of about 14,000m. cubic metres, or balf total production, with some 14,000m. cubic metres going to Germany; about 10,500m. going to Belgium 9,000m. to France; 6,000m. to Italy and 500m. to Switzerland. The positive effect on the Netherlands' balance of payments, both in terms of import substitution and exports, is already about Fls. 1,250m. a year and, with the rises in general energy prices, is likely to be nearer Fls.3,000m. by the middle of the decade.

But if the Netherlands, therefore, remains in a phase of very coosiderable expansioo in the energy sector, it is also entering a period when the pace of change will soon start evening out. Of the total of over 2,000 milliard cubic metres of recoverable reserves In the country, over 1,800 milliard are in Groningen, wbose production is now virtually committed nntil 1990.

NAM bas found further fields at north and south-east Drenthe aod in the Twente region, wbile the Amoco-Gelsenberg-Dyas group, the Petroland consortium of French companies and the Chevron/Texaco partnership have found further reserves at Bergen and in the Friesland province. But the onshore reserves bave been calculated at no more than 236,000m. cubic metres and have been very quickly contracted for. NAM's north Drenthe fields are already committed to Italian export: the south-east Drenthe fields to Germany (mainly for the new Huntel power station); tbe Tweote fields are largely committed to the KNZI salt plants and, under more recent contract, to the Lingen power station in Germany. Amoco's gas in contracted to Germao customers under a swap agreement with NAM, while Petroland's supplies are largely destined for Gaz de France under a similar arrangement with NAM.

Recent finds

Outside of this, gas strikes have heen made by NAM in north Holland and near Groningen and Petroland, and the Chevron/Texaco partnership have also made recent finds, while several strikes have been made offshore hy Placid and NAM. But, while exploration is still continuing, it is unlikely that reserves on anything like the Groningen scala will he found. In their ahsence, the Netherlands and the main gas producers are now concentrating on maximising the benefits of its present production. The build-up of export deliveries is being speeded up and the "plateau" rates may well be reached earlier tban the 1974-75 period previously calculated. At the same time, efforts are being made to raise contract rates. How successful this will be remains uncertain, but the recent energy crisis has done much to increase the attractiveness of gas in the European market, and ther are strong indications tbat enargy prices as a wbola will continue to rise over tha next few years, both in terms of iotemal and export consumption.

The discovery of major natural gas reserves withio its boundaries, indeed, could hardly have been better-timed from the Dutch point of view. Despite threats of competition from Russian gas and LNG from North Africa, the demand in Europe remains potentially much stronger than supply, while prices of competitive fuels have escalated at unparalleled rates over the last two years.

Motorway system expanding fast

By Th. H. JOEKES

The construction of the Netherlands' excellent motorway network was first inspired by the economic depression of the 1930s. Now, more than a generation later, the national road system's expansion and improvement are in full swing. But the limits set by sheer space in what is already the most densely populated country in the world are coming into view. By present standards of judgment, these limits will be reached hefore the ceotury is out if any undisturbed open spaces with a minimum of wildlife and breathable air are to remain.

Work on the first Dutch motorways started before the need really arose. Up to about 12 years ago the number of cars per 1,000 population lagged far bebind the comparable figures for such countries as Britain, Germany and Sweden, let alone the U.S.

During the 1930s, when Nazi Germany built ber first autobahns to create both employment and military lines of communication, the first Dutch kilometres of *Autosnelweg* were the fruits of purely Keynesian economics. Tha Wellsian monsters which now re-surface two or three motorway lanes in one single operation sometimes work on hallast transported five years ago by a man with a wheelbarrow. And while the tanks rumhled iu on May 10, 1940, civilian traffic on the Rotterdam-The Hague motorway was still so light that the Luftwaffe could plan to use it as a landing strip.

Largest port

Since then a numher of fundamental changes have taken place In Dutch society. Rotterdam grew into the world's largest port with a hinterland siretching for hundreds of miles. The seafaring Dutch also hecame international roadfarers. More than half the international road haulage within the Common Market starts or ends in Holland, and Dutch hauliers bave captured about 70 per cent. of that trade, much to the annoyance of such nationalist planners as Germany's Transport Minister, Georg Leher.

The number of Dutchmen has increased from some 9.5m. in 1945 to 13.1m., and the number of private cars from 100,000 just before the war to 2.5m. this year.

The two-level roundabout is no longer the height of sophistication. The emphasis in the road building plan has shifted from inter-city connections to urban and semi-urban motorways, and to-day's showpiece on the northern edge of Rotterdam, the Kleinpolderplein, consists of a knot of four-lane roads and fly-overs on four levels.

When the war ended, there was one road tunnel in the whole country. Soon there will be a dozen.

These late 1960s and early 1970s are the golden years of motorway construction and planning in the Netherlands. A temporary slow-down in construction during next year, caused by the need to fight inflation by restraining the overall increase in public spending, bas just been aonounced in the 1972 estimates. These economies may well coincide with a much more fundamental cbange in policy inspired by the dangers of over-population and pollution and the wish to try and preserve as much peace and quiet as possible in Holland's green and pleasant land.

New programme

1965 also marked a new departure. At that time there were some 350 miles of motorway in the Netherlands. A new programme, financed on different principles then came into force. Its target was the construction of an additional 500 miles of motorway by the end of 1970 and a fnrther increase to a total mileage of between 1,400 and 2,000 in the second balf of the 1970s.

Until 1965, the main roads had heen paid for from genaral dapartmental funds as part of the national budget. The road users' and builders' lobbies frequently complained that this expenditure was also being used by the Government as a kind of general economic regulator: less new mileage in boom periods, mora in slacker times, to the detriment of properly planned production aimed primarily at meeting transport needs.

The new system, introduced nearly seven years ago, is still in use. The motorway programme has been financed since then from a National Road Fund fed from two sources. One is an exchequar contribution of whose size is determined by the increase in the number of registered vehicles. The other consists of a surcharge on the motor vehicle duty.

Next year, Fls.698m. (£84m.) will he spent on new motorways and their connecting bridges and tunnels. Motorway maintenance—a new charge on the Fund, which used to be paid for direct by the Department—will require Fls.180m. (£12m.). An accumulated deficit of Fls.40m. (£4.6m.) also bas to be paid for.

The Exchequer will contribute Fls.376m. (£45m.) to the Fund next year and the surcharge will yield an additional Fls.540m. (£65m.).

These figures only refer to the motorway programme. Comparable sums of money are spent annually on other main roads, provincial roads and sireets in built-up areas. Two major elements are receiving increasing attention. One is the relation between motorway traffic and traffic in towns and parking space near popular recreation centres. Urban congestion has grown enormously in the past decade and is now nearing its pbysical limits. A recent departmental publication on transport planning for the year 2000 contained the following illustration of what will be in store for Amsterdam if the forecasts for 900,000 inhabitants and 375,000 cars (one to 2.4 inbabitants) are realised. If all these vehicles were parked in four-storey garages, the sites required would cover 750 acres or nearly two-thirds of the present city area inside the outer borseshoe of the old canal system.

The second major element is conected with the first.

Tbe traffic problem, it is now felt by those responsible for planning and policy, will never be solved and only grow more pressing year by year unless private and public transport are closely integrated and treated as complementary rather than competitive, as at present.

Tbe new Minister of Transport, Dr. Willem Dress, has just announced that plans are being worked out for a General Transport Fund. This would not only be used as a source of finance for rail as well as road construction in and between towns; it could also serve to channel part of the motor tax surcharge (and perhaps part of the petrol duty) yield into public rail and bus services, which now operate at a loss.

Some private motorists would undouhtedly regard tbis as a retrograde step. It would also be botly contested by the road hauliers, wbo already tand to think that their fiscal position at home is little help to them, to put it mildly, in their fight against both commercial and (unfair) official competition on the roads and railways of Germany and beyond.

National network

But the Dutch transport planners are notbing if not forward-looking. Where applicable, the national motorway network has been deliberately redesigned from the earliest possihle moment to fit into the larger European network of E-roads. Such futuristic schemes as tba electronic guidance of electrically-propelled private road vehicles have been under active study here for a number of years. It is the authorities' declared intention to apply differentiatad pricing mechanisms to parking and even to driving as soon as the necessary counting and metering apparatus has been perfected.

Nothing made this forward-lookiog attitude more visihle to the ordinary motorist in Holland than the old milestones along the motorways which were unfortunately replaced some years ago. Until then, Mr. Jaosen, the local fruit grower, could drive his old Mercedes from his farm near Arnhem to the Utrecht fair along the E-36 to be reminded every 1,000 metres that the end of tbe road was beyond the horizon: "E-36 —Londoo—XXX kilometres."

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NETHERLANDS V

Chemicals hard hit by rising costs

By EDWIN KISMAN, Editor, Chemisch Weekblad

A serious over-supply of chemists is foreseen in the Netherlands in the near future. The published results of an inquiry held by the Royal Netherlands Chemical Society among chemical firms and institutions reveal that in the next two years a demand of 500 (pessimistic) to 950 (optimistic estimata) will be met by a supply of about 1,250 newly graduated chemists.

As a result of a decline in profitability the chemical industry is trying hard to recover control over rapidly rising costs. This means the restriction of current investment programmes, rationalisation of production, reorganisation and reduction of the research effort; all of which curtails the demand for chemists. Giant companies like Unilever, Dutch State Mines (DSM) and AKZO have led the way and others followed.

In the past decade the chemical industry in the Netherlands has seen a tempestuous development. In particular, the production of basic chemicals, which constitute about 70 per cent. of the total production of the industries, has made this spectacular growth possible. Last year the turnover was approximately £1,080m., which was 10.9 per cent. of the turnover of Dutch industry.

Glamour eroded

From the beginning of 1970 the glamour of the booming chemical industry was eroded by several phenomena. An enormous increase in costs coincided with a period of lower growth in demand and surplus capacity for many chemicals. These were international problems which affected the Dutch chemical industry to the same degree. A recently published Shell report names some of the cost factors—though these are related to the manufacture of organic chemicals, they are of general validity—which are likely to rise substantially in the near future.

There were large increases in the cost of new chemical plant during 1970. The estimated costs of the refinery which was to have been built by DSM and Shell in Zuid-Limburg are a good example. Technical modifications raised the price from £..m. to £57m. Calculations showed at the beginning of this year that the estimates had to be increased from £57m. to more than £72m., owing to rises in the costs of design, labour and materials.

The Shell report states that, with continuing inflation, the capital cost of plant in Western Europe may increase by 40 per cent. between 1970 and 1975, but this forecast might prove to be on the low side. Furthermore the cost of feedstocks might increase by as much as 25 per cent. and the cost of energy perhaps by 40 per cent. in this period.

DSM reported an average increase of wages of 12.5 per cent. in 1970, an increase in energy costs of 11 per cent. and a rise in the cost of raw materials of 8 to 10 per cent.

In sharp contrast to these rising costs stands a steep fall in prices as a result of large-scale manufacture, through which lower unit costs could be achieved. Lower prices stimulated the penetration of organic end-products into many aspects of consumer demand. Yet prices have to rise again to maintain a level of profitability which will allow the industry to continue its investment programme. The reaction to this, however, will be a slowdown in market penetration.

One of the reasons for the decline in profitability was the fact that many large plants were brought into operation at a time when demand was low, which caused reductions in plant utilisation. To fight this problem DSM as well as AKZO advocated in their latest annual report the design of some kind of investment scheme rotation, which must of course be compatible with the Treaty of Rome.

In spite of the present difficulties and uncertainties the prospects are still those of substantial growth. The Central Planning Bureau estimates a gross production growth of 10.5 per cent. for 1971, against a growth of 12.5 per cent. in 1970, but holds to the earlier forecast of an average growth of 13.3 per cent. in the period 1968-1973.

Growth in production of basic chemicals is expected to remain encouraging, at a mean 15 per cent. in 1968-73. The estimated rise in gross production of the entire Dutch chemical industry in the period 1968-73 averages 13 per cent. a year, which is slightly below that of the period 1963-68 (14.5 per cent.).

One of the characteristics of the Netherlands is its high density of population, which means that the limited space must be handled with great care. This is one reason for the emergence in the past few years of a number of conservation movements, especially in the industrial areas: Zeeland, Vlaardingen, Amsterdam and Delfzijl.

The concern of a relatively small group of individuals developed rapidly into a political issue, which accelerated anti-pollution legislation. Under the pressure of public opinion, Amsterdam refused the establishment of a carbon disulphide plant proposed by the French company Progil. Gulf had to delay starting up its Rotterdam ethylene plant for some time, and the Hoechst Vlissingen plant lives in a continuous struggle with the local conservation movement.

The old fashioned anti-nuisance law *(Hinderwet)* is soon to be replaced by anti-water-pollution, anti-air-pollution and anti-soil-pollution laws. The anti-water pollution law is already operative. As a result of a recent severe smog situation in the Rotterdam area, a new phenomenon for Holland, a part of the anti-air-pollution legislation recently became operative, giving provincial governors the power to force industries to shut down plants which obviously cause air-pollution for as long a period as is necessary to regain a prescribed level of air purity.

These governors meanwhile seem to be unhappy about their new responsibilities, because, they say, they lack the skill or specialist staff to take the right decision, and because they may be forced to close down a plant which they had recently persuaded to set up in their province.

As far as can be seen, the new legislation will cause special difficulties for the old established industries. Under present circumstances this can mean an accelerated shutdown of old plants (as happened for instance some months ago with an AGA carbide plant) and an extra cost factor for new plants. These extra costs may damage the competitive position particularly of Dutch bulk chemicals, although it must not be forgotten that the Dutch bulk chemical industry now enjoys advantages over other chemical centres and that in the long run an advanced anti-pollution technology will give this industry a lead, since sooner or later severe measures will be taken in all the industrialised countries.

It is difficult to introduce the present-day anti-pollution lobby as a factor in the long term forecasts. Even more difficult is it to forecast the effect of the rejection of the growth philosophy, or the absolute separation of industrial and living areas, which are perhaps inevitable alternatives in the long run.

GROWTH RATE 1968-73 (per cent.)

	1968-70	1970-73*	1968-73*
Total basic chemicals			
Home sales including stockpiling	18.1	10.1	13.3
Export	16.3	16.7	16.5
Gross production	17.1	14.1	15.3
Total finished chemical products			
Home sales including stockpiling	6.7	5.6	5.7
Export	14.7	6.3	9.6
Gross production	10.2	6.4	7.6
Total chemical industry			
Home sales including stockpiling	14.1	9.1	11.1
Export	15.9	14.8	15.2
Gross production	15.1	12.2	13.3

Source: Central Planning Bureau, The Hague. *Estimate.

KLM a pioneer of co-operation

By MICHAEL DONNE, Aerospace Correspondent

As a small country, with at one time a substantial colonial empire, The Netherlands has always been aviation-oriented. The nation's flag airline, KLM, was founded in October, 1919, but the onset of winter delayed the first flight until May the following year. At that time, having no aircraft of its own, the airline hired DH-9 aircraft and crews from the English company, Aircraft Transport and Travel, and it was with this type of machine that the first scheduled air service between London and Amsterdam was inaugurated.

To-day's passenger flies from London to Amsterdam in less than an hour, in all the comfort offered by modern jet airliners such as McDonnell Douglas DC-9s. But 52 years ago, he would have had to make the journey in the open cockpit of the DH-9, exposed to wind and weather—and KLM says that one of its first ventures in passenger-service was to provide them with a leather coat, flying helmet with goggles, thick gloves and a map. If it was exceptionally cold, a hot-water bottle was also included, and it sometimes also became necessary to carry passengers to and from the aircraft across the then-marshy ground at Schiphol. Some four hours were allowed for the service, which ran from London, following the railway lines, to Dover, then across the Channel to Calais, and then followed the Continental coastline before turning inland to Amsterdam.

From those early efforts, KLM has developed steadily until to-day it is one of the world's major airlines, with a route network linking 103 cities in 70 countries, covering a total of 204,376 unduplicated route miles. The airline has continued to expand during 1971. The airline's latest (1970-71) annual report shows that it has a work-force of over 16,500. It now has a fleet of more than 50 jet airliners, including several of the very latest type to join the world's air fleets, the Boeing 747B Jumbo jet. In the year to March 31 last, the airline carried nearly 3m. passengers, 19 per cent. more than in the previous year.

Beyond profits

KLM's contribution to the Dutch economy goes beyond the profits that it earns as an airline ($13m. net in 1970-71). For a small trading nation such as the Netherlands the preservation of reliable international passenger- and freight communications is essential, and it is to this end that KLM is dedicated. Accordingly, through the 1970s further substantial growth in the Dutch airline can be expected.

In addition to being among the pioneers of new routes and new aircraft (including what was to become one of the most famous aircraft of all time, the ubiquitous DC-3), KLM has also been an innovator of new concepts in civil aviation. This is especially the case in technical and operational co-operation. Airline co-operation remains an essential aid towards increasing efficiency. By having aircraft, engines and spare parts mutually available, and by conducting joint technical maintenance and handling, for example, costly equipment and specialised employees can be utilised more effectively.

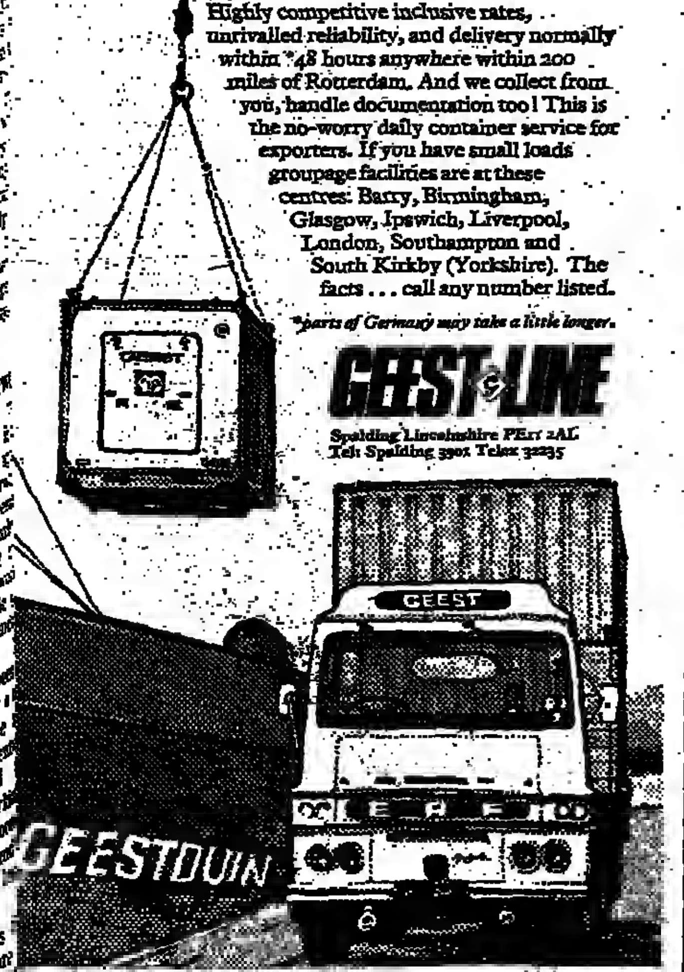
Thus KLM some time ago established technical and operational co-operation with Scandinavian Airlines System and Swissair (known as the KSS Group) on the big Boeing 747B Jumbo jets. Under this arrangement, for example, maintenance for all Boeing 747s of KLM, SAS and Swissair will be carried out in a new hangar that has just been completed at Amsterdam's Schiphol Airport. This hangar is Holland's biggest building, and has almost twice the volume of the entire Schiphol Airport Terminal Building, including the piers. Engines for the Boeing 747s are being overhauled by SAS under the agreement.

New link

More recently the KSS group has been joined by another airline, the French Union de Transports Aériens in a new link (called the KSSU group), to co-operate in a similar way on the next major aircraft that will be joining their fleets—the McDonnell Douglas DC-10-30 long-range "intercontinental" version of the DC-10 "tri-jet." Between them the KSSU airlines together are planning to acquire eventually 43 DC-10-30s (of which 12 will go to KLM), costing in all around £417m. First deliveries of these aircraft are due in 1972.

The possibility of buying the short-haul, high-density European A-300B air-bus is also currently being discussed by KLM with Airbus Industrie, the company set up by the manufacturers, Deutsche Airbus and Aerospatiale of France, to market that aircraft. Since a number of other airlines in Europe are also interested in this aircraft—notably again SAS and Swissair—a further extension of this overall principle of close airline technical and operational collaboration seems likely to emerge on the A-300B.

Apart from these collaborative agreements on aircraft, KLM is also involved in co-operative arrangements with other airlines throughout the world—for example, among others, with the Venezuelan airline, Viasa, and the Spanish airline, Iberia, on the routes between Europe and Central America; with Philippine Air Lines on the route to Manila; and with Garuda Indonesian Airways between Amsterdam and Djakarta. KLM is also a participant in some 30 pool agreements—under which two or more airlines jointly operate services, thus achieving both better service and lower operating costs—the majority of which cover routes within Europe.



NETHERLANDS VI

Political problems for the ports

By ROBERT HAWKINS, Editor, Seatrade

Rotterdam-Europoort had another record year in 1970, despite an unprecedented strike and a certain amonnt of congestion. If the port has any real problems they are political and connected with pollution fears. Amsterdam, on the other hand, had another glum year. Its problems are practical and connected with the IJmuiden Lock, which admits nothing bigger than 80,000-g.r.t. via time-consuming entrance cbannels. The port personnel are lively and willing, tha port equipment more than adequate, but the necessary finance for infrastructure development below IJmuiden is slow in coming forth.

But the age of giant tankers has brought problems of draught to Rotterdam-Europoort itself. Throughout its rapid growth story, which began after the war, the port has never been denied finance for necessary infrastructure, for as the chief service port for Europe the Dutch Government has always taken the view that what is good for Europe is good for Europoort, and consequently good for the Netherlands. Only this year a new deep channel was opened to safely admit very large crude carriers (VLCCs) of 250,000 d.w.t., and there is every indication that the Government is on the verge of plunging into even deeper waters hy dredging the approaches several miles out to sea to accommodate ships of up to 500,000 d.w.t. Behind the scenes there is a serious move to promote the building of wide-beam shallow-draught VLCCs that need "only" 72 feet of clearance against the present 65 feet available at Europoort. Capital for dredging that depth would be forthcoming, hut for further depths up to 90 feet dredging would he ten times more expensive. The outcome may he the appearance of a "Europoort VLCC" of considerable economic importance to Europoort and nther ports with draught problems.

The question of oil is central tn the Dutch port and industrial scene. Rotterdam, heavily endowed with refineries and related chemical plants, is the centre of a network of pipelines to surrounding countries and cities. While Amsterdam, Flushing and Antwerp in the immediate vicinity have given up any aspirations to accommodate VLCCs, they stand to benefit industrially from Rotterdam's oil services. The anti-pollution lobby is discouraging the industrialisation of reclaimed areas to the south of Rotterdam, the prime example being the indecision over whether to go ahead with the massive Hoogovens-Hoesch steelmill, on the expensively reclaimed Maasvlakte.

Antwerp and Flushing are now developiog oil centres, but Amsterdam could well lose nut again. The Mobil refinery based there some years ago has still not had remarkable success in attracting petrochemical plants. The city's one advantage over Rotterdam is that its labour resources are not stretched as far. But the Dutch branch of the Imbucon consulting firm in a recent report estimated that the port is growing hy only 2 per cent. a year compared with a 7 per cent. average for the rest of Western Europe. It urged that the Government had need of a second major port in Netherlands, that the port should he Amsterdam, and that without a new outer port (cost about Fls.1,265m.) below IJmuiden it would not be possible to protect even the existing facilities in Amsterdam. It urged better marketing and management (although the port is considered to he over-endowed with eqnipment by many), and the encouragement of more industry in the area. The Government had shelved a decision on this until the elections just past, hut in the meantime Amsterdam can but wait and hope.

Strike effects

In 1970 Rotterdam-Europoort handled in the region of 215m. tons of goods, over 100m. of it oil, an increase of 18 per cent. on 1969 despite a strike of general cargo workers which cost the port about 1m. tons of high revenne general cargo, and forced an increase in port dues. There was a certain amount of port congestion too, which led to the disappointment nf the year with the loss of the new lighter-carrying (Lash) ships to Antwerp (significantly, not Amsterdam). The strike was also said to have improved trade to Hamburg and Bremen. The Lash ships at the time were carrying soya meal mainly, and grain ships were suffering delays of up to two weeks. The Graan Elevator Maatschappij has now opened its new terminal and the position has eased, but another new tarminal is only now nearing completion. A new ore/coal terminal owned hy Thyssen, Krupp and Mannesmann with a 1m. ton capacity has eased congestion in that field. A forest products terminal has also heen npened, and generally the picture is nne nf progress.

Some 200,000 containers were handled in Rottardam-Europoort in 1970 (the figure could double this year) and most container personnel did not join the strike. The go-ahead was given for a new containerport—Rijnpoort—on the nnrth of the waterway, to be ready for third-generation containerships in 1975. On the commercial side recently, the container consortium known as Scanservice joined with the local outfit Nedlloyd, to operate the new Far East service under the hanner of ScanDutch as from April 1 next year. The partners have invested $250m. in six new containerships, who it is thought will use the Europea[n] Container Terminus (which expects to handle 250,000 containers this year). The othe[r] major Far East service grou[p] getting ready for the 1972 sta[rt] consists of 17 vessels supplie[d] by a consortium of P and O, Nippon Yusen Kaisha an[d] Hapag-Lloyd and others, which makes up the biggest joint containership operation anywher[e] in tha world. Under the nam[e] of TRIO, it will operate fro[m] the N.V. Unitcentre terminal. It is significant that these giant operators have consider[ed] Europoort a must for the Eu[ro]pean side of the venture.

Head start

The world's higgest ... therefore has a head start [in] the new European contai[ner] race, but Hamburg and Brem[en] are willing competitors, ... Antwerp eager to snap up ... dissatisfied customers. ... dark horse for the big ... port, though, is Le H... which is becoming increasin[gly] ambitious in the contai[ner] sector, and the French Gove[rn]ment is said to be willing ... aid construction of an oil p[ipe]line from there to W. Germ[any] to save tankers the trip ... English Channel to Rotter[dam].

Mergers among shipbuilders

By R. F. GIBNEY, Seatrade

Shipbuilding in the Netherlands, as in most other European countries, has taken great strides forward during the past five years. Dutch yards are fast huilding for themselves a reputation for versatility. Since 1969 they have won export orders for passenger liners, container-ships, dredgers, ferries and supertankers. The high level of skills inherent in the industry has had to carry the shipyards through the financial difficulties which have plagued many leading shiphuilders. The skill and the capability to construct specialised types of ships is being harnessed hy rationalisation of the yards, mainly in the form of mergers and co-operation.

The amalgamation earlier this year of the Verolme concern with the Rijo Schelde group of yards means that the Netherlands, too, among other European shipbuilding countries, has at least one combine comparable in size to some of the leading Japanese companies. Rijn-Schelde-Verolme Machinefabrieken en Scheepswerven NV (RSV), as the merged concern is known, currently holds shipbuilding contracts for 32 vessels totalling nearly 4.2m. deadweight tons—over 90 per cent. of all tonnage now on order in Dutch yards.

In the North, a numher of shipyards have formed the Conoship association and in Groningen, several yards have established NV Scheepshouw-combinatie (Nescos). A Vuyk en Zonen's Scheepswerven NV, Capelle a.d. Ijssel, and Zaanlandse Scheepshouw Mij, Zaandam, have, through successful liaison obtained a big series run of faeder containership orders from Sea Containers, the New York hased leasing organisation. Van der Giessen-De Noord, itself the result of a merger between two huilders in Krimpen a.d. Ijssel and Alblasserdam some years ago, is the remaining major individual shipbuilding company. It has held talks with several other yards and earlier this year appeared to be interested in joining the new RSV concern. However, nothing has come of its explorations so far. Van der Giessen-De Noord has an attractive order book which includes containerships, multi-purpose cargo liners and products carriers, providing full employment well in 1973.

Dredging equipment

The I.H.C. Holland group, which itself prefers not to be classed as a shipbuilder, claims to he the world's biggest producer of dredging equipment. It has plans to completely modernise its Smit-Kinderdijk dredging division at a cost of Fls.20m.

The Schiedam works of I.H.C. recently signed a contract worth around £8m. to build a huge pipe-laying vessel for Soviet interests. The vessel, which will incorporate pipe-wrapping equipment, will be able to lay pipes twice as deep as can existing pipe-laying vessels.

Zaanlandse has also announced a major investment scheme which will also provide for "covered in" shipbuilding. Expenditure of nearly £4m. will give Zaanlandse what it considers will be more like a motor vehicle assembly plant rather than a shipyard. Utilising unique "keelcarriers," which will run on railway lines, a ship will he built gradually as it makes its way towards a 4,000-ton-capacity "ship-lift" which will launch the completed hull somewhat un[con]ventionally — horizontally into the water.

A group nf shipbu[ilders] located in the north Ne[ther]lands are to construct an [auto]mated steel-working facil[ity in] Groningen. The plant, w[hich] should be in nperation be[fore] the end of next year, will [cost] over £2m. The steelworks [will] be run nn an autonomous [basis] with the Dutch Govern[ment] holding a stake of around ... per cent.

Positive effect

Rationalisation of the ... building industry in the Net[her]lands has had a very posi[tive] effect on output. More[over,] unlike some Enropean count[ries] where output is compr[ised] almost entirely of relati[vely] low-value bulk vessels, spec[iali]sation in ship types such [as] ferries, containerships, gen[eral] cargo vessels and dredgers meant that the Dutch out[put] has been fairly valuable a[s a] foreign currency earner. O[ver] 90 per cent. of new w[ork] obtained during the boom ... 1970 was from overseas. T... led the Dutch Shipbuild[ing] Association to express its c[on]cern at the low level of dom[es]tic contracting, which, if hig[her,] would provide a natural a[ddi]tional source of new work [for] the yards.

Output has more [than] doubled during the past ... years. In the first nine mo[nths] of 1967 Dutch shipyards [com]pleted 240,000 gross ... Between January and Sep[tem]har nf 1971 just under 500,... gross tons was finished by [the] industry. The 106 per c[ent.] rise in tonnage completed c[om]pares favourably with the a[ver]age world increase of 64 [per] cent. during 1967-71. Accor[ding] to Lloyd's Register of Shipp[ing] the total order book of D[utch] shipyards stood at 174 ves[sels] of 2.45m. gross tons as at [Sep]tember 30. This compares [with] the 185 vessels of 2.15m. g[ross] tons on order a year ago.

Of this total the RSV c[om]bine holds contracts for ... supertankers in the 225,... 253,000 d.w. ton range, all ... foreign-flag registration. D[utch] yards currently have 25 ... tainer and roll-on, roll-off s... on order. Apart from ... present depressed state of ... market for new contracts, ... other factor which gives ... for concern among Dutch ... builders is the qnestion ... Government interest sub... rates for financing new buil[ding] contracts. In October, ... the subsidy rate on open ma... credit was rednced hy ... cent. to 3½ per cent. in ... with OECD recommendati[ons.] Naturally, any further har... ing of interest rates will ... the competitiveness of D[utch] shipyards under further ... sure.

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NETHERLANDS VII

Shippers threaten to abandon Dutch flag

By ROB VAN MESDAG

"Reduce tax or we leave" Dutch shipping companies are telling their Government. And although the message is couched in more diplomatic language, an exodus has begun. It started several years ago—very quietly—but with a devastating effect to Holland's economy. Following the "can't-beat-them-then-join-them" principle, shipowners began registering their newly completed vessels under a flag of convenience—thus avoiding Dutch taxation on the revenue earned by such ships. The resulting saving is the difference between Dutch corporation tax at 48 per cent. in place of none in Liberia or less than 10 per cent. in the Dutch Antilles. This opting out of the Dutch fiscal climate—much as shipowners hate having to do it—is bound to accelerate unless the Government reviews its attitude towards the shipping industry.

Tax havens

First and foremost therefore, the Dutch Shipowners Association, KNRV (Koninklijke Nederlandse Reeders Vereniging) is recommending (or should one say, imploring) the Dutch Government to reduce corporation tax to a level comparable to that paid by nations with ships registered in flag-of-convenience countries. Or, as the KNRV themselves put it: "To create in the Netherlands a tax haven for shipowners." Implied in this suggestion is the view that such freedom might well entice shipping companies from other nations to register their vessels in Holland. But far more important is the Association's concern for its own members, the most important of whom have made some sad announcements of late. KNSM, one of Holland's biggest shipping groups, told government officials in no uncertain terms that it will no longer register any new ships in Holland. And SU, a consortium founded several years ago, plans to register abroad a £30m. gas tanker now under construction in France.

This trend is also noticeable when looking at the total tonnage of new ships which Dutch companies have on order: this amounts to 4m. tons. Yet only .6m. tons of this total will be registered in the Netherlands. The Dutch economy will therefore not be able to reap the benefit of the remainder. This then is the strongest argument Holland's shipowners have in support of their case. They know that should the industry be forced to "emigrate," the Netherlands' balance of payments will be brought out of balance even further. Already it shows a deficit of £380m., while the revenue derived from shipping amounts to £180m.—a most valuable contribution.

In addition, the KNRV has been quick to point out that the disappearance of shipping from the Netherlands will affect such related activities as shipbuilding, ship maintenance, use of Dutch ports, recruitment of Dutch personnel, taking in of Dutch-produced stores, as wall as losing prestige. The value to the State of these "imponderables" is impossible to assess. But as H. R. Hoekstra, KNRV's director, put it: "Surely the Government realises that its inland revenue department is the industry's major shareholder." A third point, namely that of all people in the world shipowners are the ones who can most easily change the location of their activities, presumably no longer needs making. For this reason the Dutch shipping world contends that: "To agree to our proposal will cost the Government nothing. But if it does not, and we leave, the consequences will be disastrous."

The question now is whether the Government is likely to agree to a concession such as the one proposed. It would be contrary to the principles of justice, in a State where for the whole of industry only one rate of corporation tax applies. An exception would set a precedent. Yet many Dutch industries do receive Government assistance, but this is usually given in the form of a grant. In the opinion of the KNRV this would not provide a satisfactory solution. Said Hoekstra: "Our industry does not want to come to the Government cap in hand." His remark is based on the feeling that asking for a subsidy can be interpreted as a sign of weakness. Besides it is doubtful whether such a request would be granted in view of the substantial deficit in Holland's National Budget, a major problem confronting the newly-elected Government.

Apart from the opportunity of escaping Dutch taxation without hindrance to themselves, there are other reasons why Holland's shipowners are in a position of (some) strength. During the past five years changes have taken place inside the industry to arrest its downward trend in world shipping and eventually to reverse it. Signs are that these attempts will succeed. While Dutch shipping until the early 'sixties was reluctant to change, some radical thinking has been going on since then. This process was begun by members of the KNRV themselves who in 1967 agreed to a detailed and thorough self-analysis of their industry to be undertaken by a neutral committee of shipping, accountancy, and economic experts under the chairmanship of Mr. J. J. Oyevaar, formerly Chairman of the Board of PHS van Ommeren.

Financial risks

This committee concluded that Dutch ship owners in comparison to their Greek or Norwegian competitors were "too prudent" in respect of their willingness to take financial risks. Also, that because of a sense of conservatism, the traditional pattern of regular freight services had been retained for too long. Finally, it had been this same attitude of mind which had prevented Dutch shipping companies from registering their ships abroad, following the flight into flag-of-convenience countries. As a result, Holland's share in world shipping (which between 1960 and 1967 had increased by 45 per cent.) had dwindled from 4.36 per cent. in 1960 to 2.85 per cent. in 1968, while the country's shipping industry had been running at a loss since 1961. Mr. Oyevaar therefore recommended that companies integrate their activities nationally and internationally. He called for greater awareness on the part of management of changes taking place in the composition of mercantile fleets throughout the world. Also included in his recommendations were proposals for a more liberal policy on the part of the Government towards depreciation allowances and the build-up of reserves for future investment. Finally, Mr. Oyevaar stressed the need for greater co-operation between industry and Government.

In seeking such co-operation, the KNRV feel that Dutch shipping has fully accepted and indeed implemented the Oyevaar recommendations, and that management's philosophy has changed accordingly. To meet the heavy demands on capital for new ships, and to increase their strength in the market place while improving administrative efficiency, Holland's leading shipping companies have pooled their resources, merged, or formed consortia on a national and international basis. One positive result of this has been that the total tonnage of new ships on order by Dutch companies is greater than Holland's share in world tonnage currently available. So at least there's hope. History tells us that in the 17th Century Holland's fleets comprised 35,000 ships. The country at that time dominated world trade. Such a position could hardly be achieved to-day. Yet Dutch shipowners are hopeful that the benefits so evident from the "live-and-let-live" policies of yesteryear will not be forgotten by the politicians of to-day. Dutch shipping faces intense competition often associated with discriminatory action towards so-called traditional maritime nations of which Holland is one. If the country is to play its part in this struggle, its shipping industry must have greater freedom from taxation. Hence its plea: "For the good of the country, give us a chance."

Pace hots up for liquor trade

By KENNETH GOODING

The past two years have seen quite a shake-up of the brewing and distilling industry in the Netherlands, and it is no coincidence that the changes began to take place around the time that Allied Breweries, one of the two biggest concerns of its kind in Britain, became the first of the U.K. brewers to gain a Continental base from which to attack the Common Market. Early in 1968 Allied acquired Oranjeboom and shortly afterwards bought the Breda brewery, in deals involving the equivalent of £19m.

Only a week after Allied announced it was taking over Breda, the two major remaining independent Dutch breweries, Heineken, and Amstel, revealed they had merger plans. They made no secret of the fact that Allied's action and the implications it held for the EEC beer market was one of the major reasons for this move. But the growing competition in other parts of the world was also a factor.

This seemed to leave little room for further mergers in the brewing industry, because the combined Heineken - Amstel group now accounts for about 55 per cent. of the Dutch beer market, Oranjeboom (plus Breda) claims around 20 per cent., while the rest of the trade is split between Grolsch, with some 10 per cent. and a number of small fry.

Heineken is, therefore, the giant of the Netherlands drinks business. It sold £67m.-worth of beer last year, not only in Holland but in many other parts of the world. For it markets one of the world's leading brands, often producing on the spot in other countries, mostly with local partners. The brand is now also well-established in England and Wales where in the past two years it has captured 21 per cent. of the draught lager market. This followed a deal with Whitbread, third-largest of the British brewers, which pays royalties for the use of Heineken's production know-how and the use of its world-famous brand name.

An indication of how Heineken continues to build up its position in the Netherlands comes from the fact that its domestic sales were up 20 per cent. last year during a time when the beer market as a whole advanced by 10 per cent. —quite a fast growth rate. But at 55.6 litres per head annually, the Dutch market is still well below the corresponding figures for Germany, Belgium, and Denmark. At the same time Heineken managed to clock up an 11 per cent. increase in exports last year.

Profitability knock

Profitability in the domestic market for all brewers took something of a knock because of rising costs and a back-dated wage increase in 1970 that could not have been accounted for in forward planning. But early this year price increases were allowed for both beer and soft drinks and this alleviated the position to some extent.

The setback was particularly disappointing for Allied, which had seen its plans race ahead before the wage increases took some of the steam out of the situation. From the outset there had been complete harmonisation of production between Allied's two new acquisitions—one supplies draught beer and the other bottled. On the marketing side the sales forces welded together almost overnight.

The Heineken-Amstel merger had brought Allied a bonus in

Continued on next page

NETHERLANDS VIII

Limited funds for technology

By TED SCHOETERS

It can be argued that the Dntch economy rests largely on the three big groups Royal Dutch Sbell, Unilever, and Philips. All have an involvemeot in bigh technology ventures, but Philips in particular — because of the nature of the work io which it is eogaged—finds itself committed to a continuing beavy research and developmeot burden in practically every sector of the electronic, electrical and telecommunications activities in whicb it bas made its name.

Often Philips managemeot staff bave made the point that the company was in no burry to innovate and was quite prepared to wait till the "early bird" in any new technology area had made its mistakes and withdrawo from the market, or was committed to a product whicb left a good deal to be desired. This bad enabled Philips on several occasions in the past to perfect its own work and capture a good sbare of a newly developing market.

Tbis was true in the case of colour TV tubes, but whether it will ultimately prove true in the case of the most important brain-cbild of the electronics industry — the eomputer — is hard to say.

Entry fee

The company came very late into general purpose computlog: in 1967 when an initial £25m. was thought to be the entry fee and had beeo earmarked for development and initial marketing by the Philips board of management, virtually every big company now still manufacturing computing equipment was already building or marketing its third generation machines and was reaping some benefit from the boom in equipment sales of the secOod balf of the 1960s.

It meant that the company was coming into the industry "cold" so to speak, although it acquired the small but virile Electrologica business equipment company and made it into a most successful builder and marketer of small visible record machines. Pbilips also forged a close link with the manufacturer of the world's biggest machines—Control Data Corporation of the U.S. Indeed the relationship was so close that many anticipated a Philips bid for the U.S. company. Bnt this was not to be, though it might bave taken Pbilips on an easier path into computer technology than the one it has followed.

The company opted for its own design effort, aimed to result in machines similar enough to the International Business Mechines System 360 to replace these without too mucb upheaval for nsers.

Appeldoorn, the development centre, plodded dourly on, telescoping into months work thet a number of other companies had taken as many years to carry out. Targets set were modest—initially to provide internal company compoting support with small to medium-sized equipmeot. They were achieved and surpassed.

Now, the situation is that while the Dutch Government is not providing direct financial support to its national computing effort (unlike France, Germany, and Britain) it is imitating the Governments of those countries in giving "favourite son" treatment to the products of the national company. Computers booght with Governmeot funds must be Philips machines if possible.

But the country is relatively small, though one of the most advanced in Europe, and Government funds are limited. There can be no parallel here with the huge amounts available in the U.S. for Government purchases for defence and space work, 70 per ceot. of which automatically goes to companies other than IBM in an attempt to keep some kind of balance in the situation.

Yet even this U.S. Government counter-weighting bas not given RCA enougb financial impetus to stay the course long enough to become really profitable in computers. There is no doubt that RCA's spectacular withdrawal from the battle — wbich is only against IBM—is giving the Philips management cause to think deeply about the next move. This is because of the very close parallel which can be drawn betweeo the operations of the two companies. The fact that RCA declared a loss on computer operations of $250m. and believed it would bave had to expend perhaps twice that sum to bold on loog enough to move into profit in this field is a grim warning to others.

Narrow policies

Meanwhile, national governments in Enrope continue to pursue narrow national computer policies wbicb are costing considerable amounts of money —to date perhaps £400m. has been speot or promised. The companies on the receiving eod of this bounty are understandably not showing any particular haste to move closer to eacb other and form at least an alliaoce, if oot a consortium.

It is only fair to say, bowever, that here too the RCA decisioo bas brought at least ooe rude awakening, and closer ties for Nixdorf/AEG Telefunkeo in Germany and for Siemeos/CII in Germany and France have been predicted.

This still leaves Philips and ICL on the fringe, the latter because its computer operation is too large for the comfort of potential partners and the former probably because it is an international giant which does not easily merge important operations such as its computer activity.

ICL is seeking common computing standards with CDC, old frieods of Philips. ICL and Philips bave been discussing the U.K. company's new computer designs. Both companies receive much less direct aid from Government than their French and German counterparts and undoubtedly could benefit from a much warmer dialogue on computer problems. But would still closer industrial linking between them help to form the oucleus of a "European" industry?

There is some doubt as to what share of the market such a European industry could command in—say— five to ten years, which is a reasonable guess at the time such a complex undertaking would require. Probably direct government intervention on a European scale migbt be needed to secure this share.

Meanwhile, in all high technology industries and particularly other branches of the electronics world, cooditions are becoming more and more competitive. Low cost labour in Far Eastern countries is creating serious marketing problems for Phillps radio equipmeot, telephooe exchange systems and other electronic capital goods. The crucial question must be whether enougb can be earned to support the computer operation uotil it is profitable.

In the meantime, though Japanese computers may not appear on European markets until the late-1980s there is no doubt that by then they will have penetrated deeply into Europe's export markets for such equipmeot.

Turning to the high tecbnology area of ouclear power, where the Netherlands bas always been particularly active, there is keeo interest and support for a joint effort with Belgium and West Germany to build a demonstratioo plant of 250 MW(e) and prove a design for a large-scale commercial fast breeder reactor. The country's own nuclear centre at Petten can provide experienced research and development staff and so can a oumber of large concerns in the country who have been involved io the construction of its nuclear plants. Netherlands heavy engineering technology bas been called on by the U.S. to supply 400-too reactor vessels for U.S. water reactors at a time wbeo domestic construction problems were threatening unacceptable delays to the American nuclear power station programme. This involved particularly difficult welding work on 8- to 10-inch thick steel plating.

Latest and perhaps most significant of the country's high-technology ventures is the gas centrifuge method of producing uranium fuel for the enriched reactors which are likely to provide the greater bulk of Europe's atomic power for the oext 40 years. In this it has become associated with Germany and with Britain—the latter as the senior partner.

On Dutch territory at Almelo, a five ton per year pilot scheme, combining techoiques developed in Holland and in Germany, is under construction, to be raised to 25 tons or more over the next few years.

Legal moves to set up the two international companies which will design, build and sell centrifuge equipmeot oo the one hand and own and operate the plants at Almelo and Capenhurst on the other have been recently completed. The central design construction authority is Ceotec, based at Beosberg near Cologne, while the plant owner is Urenco, based at Marlow in Britain. Holland's link with each is througb that country's Ultra-Centrifuge Nederland (UCN), which has subscribed one-third of the capital of both.

Shell subsidiary

UCN was originally formed in late 1969 by the Royal Dutch Sbell subsidiary called Shell Kernenergie, Philips, Werkspoor, the State Mines organisation and the Rijn-Schelde ship bullding consortium. In view of the smallness of the Almelo plant the effects of UCN activity on the country's ecooomy will not be apparent for some time. Everything depends on the outcome of the long debate on the merits of centrifuge against the established uranium isotope separation technique of gaseous diffusion. France is a major protagonist of this process within Euratom, and anywbere in Europe an interested audience can be found.

In the meantime, the U.S. is actively promoting its diffusion techniques bnt would only disclose full details to a joint organisation such as might be set up in Europe to build a buge £400m. diffusion plant whicb will be needed to fuel the latter's power plants by the 1980s.

There is thus a race against time and fierce marketing between France and the U.S. If the gas centrifuge is proved to work ecooomically by 1973, Holland and its partners will hold the key to a market stretching far beyond Europe and worth tens of millions of pounds annually to each country. The return will be well worth the initial heavy eotrance fee, estimated by German sources close to the venture at something like £70m. for each partner in the period 1970 to 1973.

Liquor trade

—(Cont'd.)

Continoed from previous page

that it was able to pick up a partly completed brewing complex (there was no brewhouse) which Amstel had started at Helmond, giving Oranjeboom 30 acres in a very land-bungry couotry—about twice the space available at its two existing breweries at Breda and Rotterdam. Io the first two years after the merger about £3m. was spent by Oranjeboom, mostly for the cooversion of the Rotterdam brewery to increase its capacity from about 305,000 bulk barrels to 610,000 barrels. The idea was for this kind of expenditure to be provided for out of retained profits, so any decline in profitability would bave an effect on rationalisation plans.

Brewers in the Netherlands bave traditionally included soft drinks among their interests—Heineken, for example, bas 16 per cent. of that particular market compared with only 8.5 per cent. of the spirits market.

However, Heioekeo has just completed complicated arrangements which could make it a much more powerful force in the spirits business. The arrangemeots involved four Dutcb producers of alcoholic drinks — Heineken, Coebergb, Koninklijke Gist and Zuid-Nederlandse Spiritusfabriek — pooling their spirits interests in several stages. Together the four account for about a quarter of the Netherlands' spirit sales, equal to Bols, the country's leading producer, and their spirit exports come second only to Bols.

The forces behind this move were changes in import regulations and off-liceosing rules made a couple of years ago, whicb resulted in a wave of price reductions in spirits aod liqueurs, perhaps even fiercer than those wbich followed the eoding of resale price mainteoance in the U.K. For example, some unbranded Genever gin was selling at a 30 to 40 per ceot. discount on the previous prices for branded gins. The four producers hope that by pooling their interests they can lower production costs and strengthen their bold on the market.

Initial period

What bas happened so far is that Kon. Gist and Zuid-Nederlandsche will rationalise and then merge their spirit and wine interests, wbile Heineken aod Coebergh will iotensify their existing co-operation. During this initial period, which may take some years, both groups will keep contact in respect of marketing activities.

So it is not only io the brewing industry in the Netherlands —where it is on the cards that Allied will soon bave oews of more changes—but also on the wioes aod spirits side that the pace of competition is hotting up.

The New York Stock Market has suffered three weeks of virtually unbroken decline. The euphoria that greeted Phase One of President Nixon's economic controls has evaporated since the announcement of Phase Two. Nicholas Colchester, in New York, assesses Wall Street's mood

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The blues return to Wall Street

SUDDEN relapse that has ...ted the New York stock ...ket in recent weeks has ...ng the fashionable attitude ... Wall Street from optimism ...essimism. It has brought ... technical analysts to the ...t of declaring that the ...-71 bull market is now ... and that a new bear phase ...opened.

...ppenheimer, one of the most ...ted research houses on the ...et, has stated that the Dow ...'s industrial average is now ...ding into the 700s from its ...ent level of 825, and com...d with its high earlier ... year of 950. There are ... the hopeful, hunched over ... charts, plotting every ...ard flicker of the index ... might bring new encou...ment, but overall it is a ...y atmosphere compared ... six months ago when the ... was all set for its first ...y through the 1,000 mark.

...ritical

...he market's position is ...cal because it has now ...n past the lowest level ...eached at the beginning of ...ust when the pattern of an ...rly retreat from its spring ... was shattered by the an...ncement of the new econo... strategy of President ...on. The three-month pull... from the high of May, ... and July had been an echo ...he widespread dissatisfaction caused by the refusal of the inflation and unemployment figures to bow to the traditional measures of economic control.

The imposition of the freeze and import surcharge, together with the promise of fiscal stimulus, created a great euphoria in the U.S. capital markets and the stock market bounded upwards at record-breaking speed from 850 to 925. When the euphoria faded, with the announcement of "Phase Two" of President Nixon's programme of controls, it was replaced by rank scepticism. It is this that has sent the market into three weeks of virtually unbroken decline, taking the Dow index down by more than 70 points.

It is important to put this elation and subsequent reaction into historical perspective. If one thing had become increasingly clear to American investors this year it was that inflation had killed the old steady growth in stock values. Between 1945 and 1965 the return on investment in an overall portfolio of common stocks averaged 12.6 per cent. per year. 1966 was the first year in a period of persistent inflation that has been with the U.S. economy ever since. Between the beginning of 1966 and last Friday, the New York stock exchange All-Share Index changed from 50 to 51, a minute increase when one considers the fortunes that have been made and lost in the intervening period. The yield on common stocks since the beginning of this era of inflation has effectively been the dividend yield—3 per cent. per annum.

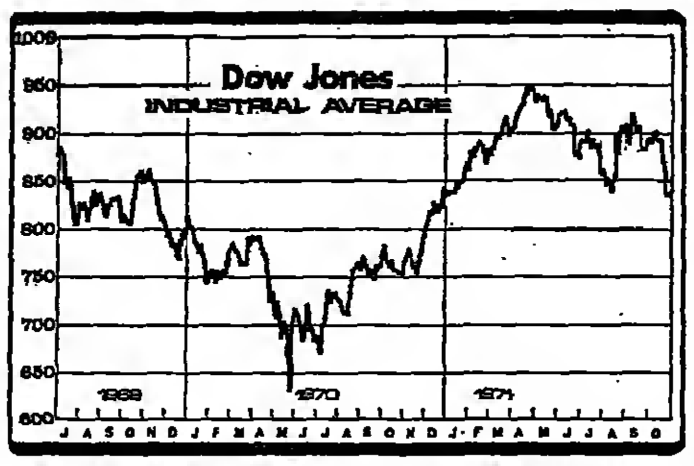
It was this sort of gloomy statistic that the market put behind it on August 15, the day that the U.S. President seemed to deal inflation a death blow. Wall Street now finds itself facing the gloom again.

Paradox

That the stock market should adopt such a pessimistic viewpoint when the business outlook for 1972 is regarded as so healthy seems something of a paradox. With U.S. manufacturing industry operating at only 75 per cent. of its capacity, the increase in demand, spurred on by the programme of tax reductions, should have a tonic effect on profits.

But, confused by the vague explanation of the workings of "phase two" and mistrusting its feasibility, the fund managers are taking rather a jaundiced view of the prospects for the coming year. They fear that the nation's labour leaders are not going to acquiesce to "phase two" in the same way that they co-operated during the freeze, and this leads them to expect the controls on prices to be more rigorously enforced than the control on wages.

This pessimism is exacerbated by the unsettled world monetary situation and by the growing feeling that the 10 per cent. import surcharge imposed by the President may ultimately backfire on the U.S. multi-national companies. There is also some doubt as to the immediate effect of the investment tax credit announced by the President. Capital spending accounts for about 20 per cent. of the output of U.S. manufacturing industry, and with overcapacity what it is, the credit does not look as though it will boost the rather mediocre profits in this sector for some time to come.



The Dow Jones Average fell 13.14 further yesterday to 825.86, a new 1971 low.

Net outflow

But the most fashionable cause for alarm on Wall Street at the moment is the question of the flow of funds into the stock market. This concern has developed as a result of the two major anomalies of the current year—the marked surge in the volume of new equity issues, and a sustained period in which the mutual funds have suffered a net outflow of money. Since 1959, individuals have been net sellers of stocks, while institutions, mutual funds and foreigners have absorbed this stock together with the new shares created by corporations.

In 1962, the figures were $6,000m. of individual sales and $2,000m. of new issues, together absorbed by $8,000m. of institutional spending. A preliminary estimate for 1971 boosts these figures to $11,000m. In individual sales, $11,000m. in new issues, and $22,000m. in institutional purchases.

The sale of stocks by individuals has stabilised over the past two years at a rate around $10,000m. The big growth in the supply of shares has been due to the growth in new issues. After 1965 a chronic gap developed between U.S. industry's capital spending and its cash flow from depreciation and retained profits. This forced companies to turn to the credit market. At first they financed themselves mainly through bank loans, then through longer bond issues, and finally, over the past two years, with an increasing number of shares to redress the debt equity ratios.

Jeremiahs

The increased flow of stock has been absorbed overwhelmingly by the principal institutions, the insurance and pension funds, not only by virtue of their growth (which has been impressive) but because of the increasing proportion of their net cash inflow that has been channelled into the equity market. In 1962, these funds invested 20 per cent. of their new money in stocks. In the first half of 1971 it was 60 per cent.

It is from these figures that the Jeremiahs argue that a bad period for stocks has arrived. The level of new issues, they say, will continue; the funds' growth is tapering off and they find themselves uncomfortably committed to stocks. Their cash is being lured away into the rival attraction of fixed interest investment — specifically the bond market, which, confident of falling interest rates and unaffected by wage fears, is enjoying a strong phase at the moment.

This type of argument has been given added weight this year by the well-publicised plight of the mutual fund industry. This has suffered net redemptions in four of the last five months, and was shown in September to have only 4.7 per cent. of its assets in cash—a margin that leaves a very thin cushion of buying power.

Though there are many arguments for and against the theory that the cash supply of the insurance and pension funds should dry up in the future, there is no evidence that this is happening at the moment.

Goldman Sachs, the investment bank, has completed a study of institutional cash flow into the market that puts the troubles of the mutual fund industry very much into perspective. It points out that in the first half of this year mutual funds were responsible for only $1,500m. of the annual rate of $22,000m. at which all institutions were putting cash into the market. Moreover, their low liquidity position should not be extrapolated to the rest of the institutions. At the beginning of 1970 shares represented 60 per cent. of the assets of the pension funds, and just 7 per cent. of the assets of the life insurance funds. Their leeway is immense. If private pension funds put all their $9,000m. net inflow of funds in 1971 into stocks, the percentage of their total assets represented by equity would inch up from 60 to 62.5 per cent.

Spotlight

Whatever the merits of this supply and demand argument over prices—and it is hard to find any historical justification for it—the mutual fund figures have pulled it into the spotlight at the moment and it is thus having an impact on investment attitudes.

This may well be a passing phase. Mr. Howard Stein, who manages the Dreyfus Fund, thinks that the market is very sensitive to news at the moment. An international monetary settlement might give the market quite a fillip, an adverse development in the progress of "phase two" could plunge it into deeper gloom. The chartists can come up with just one argument of underlying encouragement, and that is that the best market rallies have always taken off from a background of general pessimism—and there is pessimism and uncertainty to spare in Wall Street at the moment.

...abour News

...EPTU vote against ...egister inconclusive

...Y ALEX HENDRY, LABOUR REPORTER

...: 420,000 member Electrical ... Plumbing Trades Union ...rday gave overwhelming ...ort to the TUC's policy of ...o-operation with the Govern...'s Industrial Relations Act. ...t the decision by a majority ...ore than 600 to three or four ... be union's conference at ...pool was taken in such a ...that it can only be seen as ...ening the TUC policy it ...ared to support.

...king suspicion

... Frank Chapple, general ...tary of the EPTU, the fifth ...est union in the TUC, ...itted later he expected to be ...d to the TUC—he is a mem... of its general council—to ...ain why his union is out of ... with its policy.

... gave most of the answers ...s union's conference yester... and ranking high in order ...iority is a lurking suspicion ...t the motives and actions ...ber TUC unions.

... said, on the point made by ... delegates that the union ...ld lead the way on non-...tration: "I am not for going ...d of the trade union move...: in stupid isolation which ... the existence of this union ...sk."

...rlier he had warned against ...: unions ready to canni...e the fragmented member... of the EPTU. The union, ...id, could not survive a large ... in membership.

...en, in one of the politically ...e manoeuvres even by the ...lard of the EPTU confer... where the political divi... are very wide and bitter, ...sked the delegates to give ...imous support to a Left... motion that sought confer... approval for a policy that ...nion should not be regis... and, through the TUC and ...r Party, should formulate ...icy of non-co-operation with ... Industrial Relations Act. ...ly last week the executive ... decided by eight votes to ...t would oppose any motion ...on-registration and ballot ...members if the conference ...d its advice.

...ce then Mr. Vic Feather, ...ral secretary of the TUC, ... addressed the conference ... although Mr. Chapple said ...rday there had been no ...ure on him or his executive ... mey be some significance ...s remarks to conference that ...executive were supporting ...motion on non-registration ...e sake of unity within the trade union movement.

But on the EPTU terms it is a very fragile unity. Mr. Chapple made it quite clear after the debate that the executive would not be "taking steps"—the TUC term—to come off the new register. He said if they did it was unlikely to be before the Transport and General Workers' Union, which is holding a special conference next month to decide its position.

Later this week the EPTU is in private session to discuss rule changes but no effort will be made by the executive to delete the rule which says the union must be registered.

Mr. Chapple said later: "We are sitting on the fence. We join a number of other unions who are playing it cool."

Interview

Michael Hand, Labour Correspondent, writes: The TUC's "inner Cabinet"—its finance and general purposes committee—yesterday began interviewing unions who find themselves at odds with the TUC's non-registration policy.

The first to be called in to explain their position under a process which could lead to some unions being expelled from the TUC were the seamen, who claim if they are to survive they need to register to secure an "approved" closed shop under the new legislation when existing closed shops are outlawed.

The seamen's leaders put their case but no decisions will be reached until they have seen the TUC again later this month.

The other union which should have appeared before the TUC yesterday was the National Graphical Association, whose leaders, like those of the seamen, are totally opposed to the new Act, but have encountered what they believe are insurmountable legal barriers to deregistering.

However, the NGA stayed away from the meeting, the official explanation being that the timing was inconvenient and that the union's general secretary, Mr. John Bonfield, was indisposed. Although a new date will be arranged, the NGA is believed to be unhappy about the way the exercise is being handled.

So far, according to the TUC, 17 unions have decided to go on the new register in defiance of its policy of non-co-operation with the Act.

...500 insurance workers ...) ban overtime

... ROY ROGERS, LABOUR STAFF

...: 2,500 members of the ...iation of Scientific, Technical ...Managerial Staffs employed by ...o-operative Insurance Society ...) ban overtime and work to ... from next Monday after ...ing s 7-9 per cent. pay offer.

... Maurice Reynolds, national ...ary of the ASTMS insurance ...section, said last night that ... sanctions were just a first ...owards securing an improved ... from the company.

...ns were in hand to call a ...meeting of CIS staff in a few ...' time to consider how to ...te action if necessary.

... Reynolds explained that ...S had lodged a 15 per cent. ...laim with the CIS but after ...improvements the company's ... was worth only 7 per cent. ...he chance of a further 2 per ... for some exceptional ...rs. ...offer compared with a 9.8 per cent. increase in the cost of living since the staff's last pay settlement, 7-8 per cent., a year ago. It was worth between 50p and £2.75 a week for CIS staff whose current salaries ranged between £500 (for a junior) to about £2,300.

While the CIS was a leading insurance company, its salaries were between £400 and £500 a year below those of other leading companies, he claimed.

Commenting on the situation at General Accident where, with management approval, a new staff association is being set up with a view to registering under the Industrial Relations Act, Mr. Reynolds said the ASTMS membership at the company was still increasing. Some 800 new members had joined ASTMS since the staff association was first mooted last month.

More labour news on Page 43

Company reports to specify accounting policies for key items

BY KENNETH GOODING

IMPORTANT changes in the disclosures that companies make about their accounting policies will follow a new Statement of Standard Accounting Practice issued yesterday by the three Institutes of Chartered Accountants.

The institutes say accounts should contain a clear explanation of the accounting policies followed for dealing with a number of key items—such as depreciation, stocks and work in progress, treatment of research and development expenditure.

The new standards will become generally effective at the start of 1973 but it is expected that many companies will respond to the accountants' suggestion that it should be adopted earlier.

Very welcome

The changes will be widely welcomed by investors and users of financial information. For, as the accountants' statement makes clear, where more than one accounting basis is acceptable in principle, the accounting policy followed can significantly affect a company's reported results and financial position. "The view presented can be properly appreciated only if the policies followed in dealing with material items are also explained," the statement says.

The statement also makes it clear, however, that it is up to a company's management to identify the "key" items in its accounting policies.

"The intention and spirit of this statement are that management should identify those items of the type described which are judged material or critical for the purpose of determining and fully appreciating the company's profit or loss and its financial position, and should make clear the accounting policies followed for dealing with them."

This is the second statement in the programme of accounting standards that the chartered accountants have launched. The idea is to establish more clearly what constitutes a "clear and fair view" of a company's position when it reports to share holders.

It is also intended to cut down on the wide variety of treatments contained in company accounts. The new statement, for example, says: "As accounting standards become established through publication of statements of standard accounting practice, the choice of accounting bases regarded as generally available will diminish." But it also recognises that the complexity and diversity of business renders total and rigid uniformity of bases impracticable.

Future plans

For the future, the accountants are working on accounting practice during mergers and acquisitions, and are discussing the treatment of earnings per share and extraordinary items, and prior year adjustments.

It was announced yesterday that the Association of Certified Accountants and the Institute of Cost and Works Accountants will be directly associated with the three chartered accountants' institutes in the development and maintenance of accounting standards. Previously, they had been involved in a consultative capacity.

"Disclosure of accounting policies," available from the Institute of Chartered Accountants in England and Wales, Moorgate Place, London, EC2R 8EQ, price 15p plus 5p postage and packing.

BSA shareholders agree to £10m. bank loan in rescue bid

BY PETER CARTWRIGHT, MIDLANDS CORRESPONDENT

BIRMINGHAM, Nov. 1.

TWO famous motorcycle marques —BSA and Triumph—are not to disappear, Lord Shawcross, the new chairman of Birmingham Small Arms, said here to-day.

Approval for a rescue operation for the group was given by shareholders, who agreed to Barclays Bank having a charge on the company's assets in return for a £10m. loan, and authorised an increase in borrowing powers.

However, two of the less successful models are to be eliminated soon and the company is working on ways to reduce costs and lessen its dependence on the U.S. market.

As part of the rationalisation measures BSA is dismissing 3,000 of the 4,500 labour force at the Small Heath, Birmingham, plant, to allow concentration of production at Meriden.

"Putting at best 3,000 and at worst more than 7,000 men and women out of work is a grave and shocking responsibility," Lord Shawcross commented.

Mr. Lionel Jofeh, former managing director of BSA's hard-pressed motor-cycle division, left in July with just over £35,000, including pensions contributions, Mr. Eric Turner, retiring chairman, stated.

Birmingham Small Arms recently announced a trading loss on exceptional items totalling more than £4.2m., and has forecast £4.25m. being needed to complete rationalisation of the motor-cycle division and the concentration of production at the Triumph factory at Meriden.

Answering shareholders' questions, Mr. Turner said that £271,000 had been taken out of Ordinary stockholders' reserves as a "bribe" to Preference holders. They would be entitled to 5-6 per cent. and that would cost £15,000 (or about £8,500 a year after tax). That was the price Ordinary shareholders were paying to preference shareholders.

Dealing with the mechanism of the arrangement with Barclays, Mr. Turner said the bank would be reviewing the loan next July, "and if the liquid situation is infinitely better, it will be perfectly possible to make a further satisfactory arrangement."

Profitability visualised as necessary to pay a 10 per cent. dividend to Ordinary shareholders, Mr. Turner said, would be around £900,000.

After the meetings, Lord Shawcross met shop stewards and union officials. He assured them that "the bitter lessons of the past are being learnt and applied. I do not think that much is to be gained now by holding an inquest on errors that are irretrievable." He added that he took his share of blame.

He gave the latest figures available to the company, and said that in addition to the trading loss which, with interest charges, amounted to £2.8m., the company had had to include about £5.75m.—he could not be sure at this stage of the exact figure—for an exceptional number of heavy provisions and write-offs.

Saleroom

£76,663 for Chinese porcelain

A SALE of Chinese porcelain and works of art held at Christie's yesterday totalled £76,663.

Highest price was 2,800 gns. (Glatz) for a famille rose dinner service, Ch'ien Lung period. A pair of famille rose figures of cockerels also went to Glatz for 2,600 gns., as did a pair of famille rose soup tureens (2,000 gns.) and a famille verte figure of a laughing boy (also 2,000 gns.).

The price of 2,800 gns. was also reached by H. Moss for a pair of pear-shaped vases. Moss also gave 2,000 gns. for a fine Mei-p'ing. Clayton paid 2,600 gns. for a pair of figures of parrots in turquoise glazed porcelain.

At Fonthill House, Tisbury, the Wiltshire home of the Rt. Hon. Lord Margadale of Islay, TD, the first day of the two-day sale held by Christie's of the remaining contents of the house totalled £86,573.

An important Chinese 12-leaf coromandel lacquer screen sold to Turpin for 6,000 gns. and a Louis XV marquetry commode fetched 3,400 gns. (Glanville). Two important panels of Brussels tapestry sold for 4,400 gns. and 2,800 gns. to Franses of Piccadilly and C. John respectively.

Sotheby's sale of printed books totalled £5,772 yesterday. Dawson paid £300 for John Maplet's *A Greene Forest, or a Naturall Historie*, printed by Henry Denham 1567, and £150 for a collection of 147 Valentine, Christmas and New Year cards, c.1835-60.

Maggs bought nine volumes of Maund's *The Botanic Garden*, 1825-36, for £130.

In a sale of English and Continental glass which totalled £12,305, a 11½-inch goblet was acquired by Dennis for £470, while Lazarus paid £290 for a stipple-engraved wineglass, and £280 for a rare armorial wineglass, Newcastle type.

Phillips' furniture sale totalled £14,593, and the painting sale £4,516.

Prince's plea to unions on pollution

PRINCE Charles yesterday called on trade unions to show a more responsible attitude towards pollution and conservation in Wales. "We have not had a very great response from the trade unions. We would like them to take more constructive steps and a more responsible attitude," he said when presenting awards of the Prince of Wales' committee at Merthyr Tydfil.

"It is all too easy to expect management and employers to do it all. I think the unions might suggest to management what might be done."

Bank raid rewards limit is raised

FINANCIAL TIMES REPORTER

THE maximum reward that will be paid by the Clearing Banks for assistance over bank raids has been raised to £2,500. Until now the limit has been £1,000.

New notices now appearing on bank counters state: The London Clearing Banks will, until further notice, pay a reward of up to £2,500 to any member of the public who gives information to the police leading to the conviction of any person for stealing or attempting or conspiring to steal any of their property, wherever it may be, in the U.K., or for breaking into any of their branches in the U.K. with intent to steal.

The reward scheme was introduced on March 15, 1960. At that time it was limited to information about breaking into and entering bank premises. Later it was extended to cover information about over-the-counter raids and robberies of money in transit.

Since the inception of the scheme, 170 awards have been made, averaging £250 each. The maximum amount of £1,000 has been paid on 10 occasions.

COMPANY NEWS + COMMENT

Nova (Jersey) to top £1m. and pay more

BARRING unforeseen circumstances, pre-tax profit of the Nova (Jersey) Knit group are expected to rise from £884,000 to not less than £1m. for the year to March 31, 1972, and on this basis the directors forecast lifting the dividend total from 35 per cent. to at least 42½ per cent.

Meanwhile, they report a rise in the first half pre-tax balance, after minority interests, from £302,000 to £486,000, and are increasing the interim payment from 12½ per cent. to 15 per cent. A director of the company intends to waive the interim on 950,255 shares amounting to £28,508.

Increased capacity from the South Wales factory has enabled the group to use its own production for replacing outside purchases by the merchanting operation, directors state. Rasults of the knitting operation in the U.S. in which Nova now has an 80 per cent. interest have been consolidated for the first time.

Damand for products continues to increase both here and abroad and is "particularly strong" from tha U.S. which is supplied from this country as well as from America. In order to meet the increased demand tha directors wish to expand further tho capacity of the group and have therefore authorised an extension of 35,000 sq. ft. to the existing factory in South Wales.

In order to obtain adequate long term financa they propose in tha near future to make an issue of approximately £1.6m. of convertible unsecured loan stock hy way of rights to existing shareholders. Of this, £250,000 will be required for the extension to the South Wales factory and the halance will be used to provide additional plant and equipment and the necessary additional working capital. Full details will be announced shortly.

The directors propose to institute an executive share incentive scheme based on the issue of Ordinary shares in partly paid form to selected senior executives, including executive directors other than Mr. Michael Burg and the chairman, Mr. Strasser. The number of sbares which may be issued will be limited to 140,000, which is a little less than 5 per cent. of the present issued Ordinary, and the number to be allotted to any individual will not exceed 30,000.

The scheme has been submitted to the Inland Revenue and will not be implemented unless confirmation satisfactory to the directors is received as to its tax consequences.

	Six months 1971 £000	1970 £000	Year 1970-71 £000
Turnover	3,726	2,616	6,108
Profit	509	302	684
Minorities	23	—	—
Profit before tax	486	302	684
Taxation	201	128	255
Available	285	174	429
Dividend	33	71	197

● comment

There is the feeling in some in quarters that demand for double jersey knit is levelling out but the latest balf-time figures from Nova Knit do not provide much evidence for this assumption. With tha new factory in South Wales coming on stream and the U.S. subsidiary playing a more important role, pre-tax profits bave been pusbed up this time by 61 per cent. Sucb is the volume of demand, particularly in the U.S., that Nova bas already found it necessary to increase the capacity at South Wales. These extensions will be completed by Christmas and fully operational by 1972-1973. So while it may be fair to say that demand for the lower quality fabric is less buoyant than it has been of late, the upper end of the market—where Nova concentrates—is still bounding ahead. This being the case a prospective p/e of 12 at 252p is hardly ambitious aven allowing for the pending rights issue.

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Tricoville meets forecasts

Against a forecast of a turnover of £1.25m. and a minimum profit of £120,000, Tricoville reports figures of £1,262,850 and £125,229 for the year to July 19, 1971. They compare with £1,069,444 and £85,330 respectively for the previous year.

As Indicated in the March, 1971 prospectus, the dividend is 14 per cent. A total of 24 per cent. in a full year has been foreshadowed.

Net taxed profit came out at £72,798 (£50,270).

Tba company is engaged in women's fashion clothing.

● comment

Tricovilla seems to have overcoma the market's initial suspicion of any rag trade company as its shares are now 36 per cent. above last March's placing price. Having met tha prospectus forecast the interest in the 1970-71 results is the jump in margins of a coupla of points to just under 10 per cent., and with 70 per cent. of total sales imported, the ending of the Import Deposit Schema has been a particular help here by reducing interest charges. Further more, margins are expected to be maintained in the current year and all sides are doing better—notahly the recently established sports and swimwear division. It is also boped to increase salea penetration in London and the North. So given the protection involved in pre-selling most garments, the sbares seem to bave the possible risks adequately covered at 53p with a p/e nf 10¼ per cent.

Burgess second half setback

GROUP PROFIT, before tax, of Burgess Products Company (Holdings), acoustical and electrical engineers and manufacturers, contracted from £909,315 to £782,390 for the year to July 31, 1971, after a first-half increase from £348,000 to £394,000.

The dividend is maintained at 18 per cent. with a final of 12½ per cent.

	1970-71 £	1969-70 £
Profit before tax	782,390	909,315
U.K. tax	280,009	348,600
Overseas tax	20,215	38,378
Minorities	2,866	9,545
Preference div.	6,000	6,000
Ordinary	226,800	226,800
Retained	255,352	276,083
Forward	1,201,756	946,404

The accounts for 1971 incorporate for the first time the trading results of two overseas subsidiaries, and the comparative figures for 1970 have been adjusted accordingly.

● comment

Following the 13 per cent. rise in first half pre-tax profits Burgess Products' full-year setback comes as an unpleasant surprise and tha shares fell 10p to 85p on the news. Though comparison is complicated by the inclusion of the two overseas subsidiaries, it appears that the U.K. was the main problem area. In particular, the silencer and filter interests have been hit by a combination of cost inflation, the Ford strike and the continued weakness of the tractor market. However, the power tool and micro-switch divisions have dona better though the latter has been hampered hy the downturn in capital goods demand. The expectation of continued progress here, and hy the overseas companies, should be enough to prop up a p/e of 8.8—especially if the Governmant's measures succeed in slowing down inflation and boosting growth.

Tobenoil profit expansion

CURRENT YEAR profit in excess of the £305,549 for the year to March 31, 1971, is indicated by the directors of Tobenoil, manufacturers of specialised machinery for packaging and parcelling goods.

On a turnover up from £896,000 to £1,002,000 first half profit advanced from £110,000 to £142,000.

And chairman, Mr. T. Kenny reports that the order intake for the packaging machinary companies continues to improva

To reduce disparity, the interim dividend is being effectively increased from 0.375p to 0.60p. Tha 1970-71 total was equal to 1.5p.

	Six months 1971 £	1970 £
Group turnover	1,002,000	896,000
Profit	142,000	110,000
Taxation	56,800	49,500
Net profit*	85,200	60,500
Interim	31,569	19,731

* Earnings per share 1.59p (1.125p).

● comment

Tobenoil has continued tha pre-tax growth trend of the last ten years (apart from a slight set-back in 1966-67) with a first half jump of 29 per cent. on a 2 point improvement in margins. This reflects the group's concentration on costs control combined with its policy of constantly modernising the product range. Demand for packaging machinery, Tobenoil's speciality, is currently quite good and given that the second-half is usually the more profitable there seems nn reason why the group should not produce annual profits of around £355,000 before tax. This puts the shares at 46p on a prospective p/e of 11.3 which may not be taking full account of the growth prospects.

Lombard Australia

Group profit, before tax, of Lombard Australia expanded to £1,632,000 for the year to Septemher 30, 1971, compared with £989,000 for the previous nine months—an annual rate of increase of 24 per cent.

After tax of £819,000 (£498,000) the net profit was up from £491,000 to £813,000, or a 24 per cent. rise on an annual basis.

Gross accounts receivable at Septembar 30 last, amounted to £64.18m. (£50.99m.), up 26 per cent. After deducting provision for unearned income £8.26m. (£6.12m.), net accounts receivable were up 25 per cent. from £44.87m. to £55.92m.

Since becoming a member of the National Westminster Bank Group the annual balance date for the company has been cbanged from December 31 to September 30.

Unochrome paying 1% extra

A FINAL dividend of 7½ per cent. by Unochrome International makes 12 per cent. for the year to Juna 30, 1971, an increase of 1 per cent.

Trading profit rose from £979,150 to £1,124,142, and interest charges were reduced from £336,586 to £286,294. But after special debits of £119,254 (credits £199,062), the profit balance fell from £841,646 to £718,594.

	1970-71 £	1969-70 £
Trading profit	1,124,142	979,150
Interest paid	286,294	336,586
Special debits	119,254	*199,062
Profit before tax	718,594	841,646
U.K. tax	184,219	210,760
Overseas tax	148,624	125,240
Minorities	90,858	52,788
Net available	279,200	435,320

* Credits.

The directors state that following the closure in Chicago, Van Der Horst Corp. is showing substantially better profits for the first quarter than for same period in the previous year.

Group results incorporate a trading loss for the year from Scottish Machine Tool; during the first quarter of the current year, conditions have improved and SMT is showing a small profit for that period.

● comment

On the face of it, Unochroma International's pre-tax profits have fallen 14½ per cent. for 1970-71 after a 9 per cent. first balf increase. However, after eliminating special items from both years, profits purely from manufacturing activities hava risen 30 per cent. On this basis and after full taxation earnings are up from 2p to 2.52p a share. The p/e of 9.2 at 24p (down 2½p) may perbaps be paying too much attention to the obvious.

Edgar Pickering advance

FIRST-HALF, pre-tax, profits of tha Edgar Pickering (Blackburn) group have advanced from £193,397 to £214,950, and present indications are for further progress in the second half with satisfactory results, says chairman Mr. E. Pickering.

The interim dividend is unchanged at 30 per cent.—it is being waived by the chairman on his personal holding. For all the previous year to March 31, 1971, wben profits amounted to £540,079, the dividend total was 65 per cent.

After tax of £85,980 (£82,000) the first-half nat balance was up from £111,397 to £128,970.

The group makes and supplies tufting machinery and finishing equipment for the carpet industry.

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Aurora Gear looks for recovery

SHOULD THE upturn in business activity promised by the Government be forthcoming the continually increasing efficiency within the subsidiaries of the Aurora Gear and Engineering Company will show to "considerahla" advantage says chairman, Mr. P. J. Kirkman.

However, he reports that tha Board is disappointed that the group has not shown greater progress during the latter half of 1970-71; this being due to the severe decline in business with Rolls-Royce and to generally reduced activity within the engineering industry.

As reported on October 8, pre-tax profit for the year ended June 30, 1971, was £527,751 (£611,475) after a provision of some £87,000 against combined debts due from Rolls-Royce. The dividend is held at 20 per cent.

The first part of the three year capital equipment programme has been completed as planned. Phase two being implemented covers the next 12 months. This will consist of a continuation of tha work to create more factory space and the installation of further modern plant. Plans to extend the beat treatment division in Markyate are progressing wall.

The Hills Engineering Company has entered into an arrangement with Miniere et Metallurgique de Rodange of Luxembourg and the directors hope this venture will help to obtain a greater share in the European market for Rolling Mill equipment.

At October 7, 1971, Mr. H. M. Griffiths and family wera interested in 818,217 Ordinary 5p shares.

Meeting Sheffield, November 25, noon.

Sir Basil Smallpeice (left), chairman of Associated Contalner Transportation (Australia), and Mr. Jim Payne, managing director, announcing, at a Press conference in Londnn yesterday, the consortium's plans fnr a round-wnrld container service from next autumn, in conjunctinn with Australian National Line. (Report: Page 8.)

DIVIDENDS ANNOUNCED

	Current payment %	Date of payment	Corresponding div. %	Total for year %	Total last year %
Burgess Prodncts	12½	—	12½	18	18
Cont. Union Tst. int.	(c)0.8p	Dec. 1	0.625	—	2p
Ever Ready Trust int.	†1.75p	Dec. 7	1.75p	—	5.25p
J. Hepworth	12	Dec. 15	10	18	15
Kramat Tin int.	†10 cts.	Dec. 1	—	—	25 cts.
Le Valfnnet Trust	5¼	—	5¼	5¼	5¼
Lindsey and Kesteven	15	—	12½	15	12½
Nova (Jersey) int.	15	Jan. 6	12½	—	35
Edgar Plckering int.	30	Dec. 23	30	—	65
Reed International int.	5	Jan. 10	5	—	12½
Rosehaugh Rnbber	(a)3	Dac. 6	7½	3	7½
Singapore Para Rbr. int.	10	Dec. 7	15	—	20
Singapore Para Rubber	10	April 6	5	20	20
Smith and Pearson int.	5	—	5	—	11
Sonth African Brews. int.	†2 cts.	Dec. 17	2 cts.	—	6 cts.
Steel Brothers int.	7½	Dec. 31	7½	—	18½
Telfer int.	nil	—	5	—	5
Tobenoil int.	(c)†0.6p	Jan. 29	*0.375p	—	*1.5p
Tricoville	(d)14	—	—	14	—
Unochrome	7½	—	7	12	11

* Equivalent after allowing for scrip issue. † Amount per share. (a) Tax free. (b) On capital increased by rights and/or acquisltion issues. (c) To reduca disparity. (d) As forecast in March 1971 prospectus. (e) For 15 months.

Steel Bros. expects no less profit

FIRST-HALF group profit, before tax and loan interest charges, of Steel Brothers Holdings, is down marginally from £450,283 to £438,928, but tha directors indicate that tbe figure for the year 1971 will not be less than the £1,031,708 for 1970.

The first-balf shortfall reflects reduced income from Pakistan and from Westero Australia where trading conditions are difficult. Other areas are doing well, tha directors state.

An unchanged interim dividend of 7½ per cent. is declared. The 1970 total was 18½ per cent.

	Half year 1971 £	1970 £
Group profit	438,928	450,283
Loan stock interest*	95,063	—
Profit before tax	343,865	450,283
Taxation	†104,329	180,701
Minorities	49,742	51,564
Balance	189,795	218,018
Pref. dividends	*26,062	*86,338
Attributable Ordinary	163,733	131,680

*Reflecting changes in capital structure. †After £37,721 (nil) previous years' credit.

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Continental Union Trust

Gross income of Continental Union Trust Company increased from £288,928 to £300,828 in the half year to September 30, 1971. The figure for the year to March 31, 1971 was £560,060.

	Half-year 1971 £	1970 £
Franked income	207,289	195,135
Onfranked	83,017	84,708
Underwriting commsn.	850	178
Other interest	9,692	8,907
Total income	300,828	288,928
Management expenses	20,133	17,811
Debenture interest	45,125	45,125
Revenue before tax	235,570	225,992
Taxation	11,320	12,343
Net revenue	224,250	213,649
Preference dividend	15,000	15,000
Available Ordinary	209,250	198,649
Interim dividend	128,000	100,000

The interim dividend is stepped np from 0.625p to 0.8p in order to reduce disparity. A final of 1.375p made a total of 2p per 25p share for 1970-71.

Investments were valued at £18,896,844 (£16,312,742 at March 31, 1971) and net current assets were £554,206 (£257,802). Net asset value per ordinary, after prior charges at par, was 106p (88p).

The investment dollar premlum of 26½ per cent. (20 per cent.) has been included in full amounting to £834,005 (£742,016).

Confidence at Ductile Steels

STRESSING that all group companies are in growth industries, the chairman of Ductile Steels, Mr. R. Sidaway, says they are all ready to meet the expected resurgence of demand and he views the future with confidence.

In common with the majority of competitors the group hot re-rolling mills are suffering from an easing in demand, he explains, but thanks to recent Government measures he feels "it cannot be long before demand increases."

The Board believes U.K.'s entry into the Common Market could be of great benefit to the group not only in the search for better quality and cheaper raw material but also help to increase sales of some specialised products.

Mr. Sidaway reports that during the year the group has been experimenting with an idea for applying stainless steel to mild steel. This, he says, can only be achieved in conjunction with the use of a planetary mill and, while the project is in its early stages, present information gives him confidence in ultimate success.

The group is also very near to perfecting a new drive for the planetary mills and if this proves to be successful rolling costs will be reduced and quality improvad and the engineering company will he in a position to supply other planetary mill users throughout the world with this equipment.

As reported on October 21, pre-tax profit for the 53 weeks to July 3, 1971, was £2,026,578 (£1,670,971 for 52 weeks) with a dividend of 40 per cant. (37½ per cant.). A one-for-one scrip is also proposed.

Analysis of sales—£19.97m. (£18.67m.) and trading profit £2.08m. (£1.79m.)—ahows steel strip, bars and sections, steel stockholders and processors, precision tubes and tubular furniture contributed £19.37m. (£18.08m.) and £2.1m. (£1.77m.) and power presses and specialised machinery £596,000 (£583,000) and a loss of £14,885 (£13,107 profit).

Meeting, Willenhall, November 25, at 3.30 p.m.

Scottish Met. Property

On the basis of rent recently acbieved by The Scottish Metropolitan Property Company—rental income was up from £1,420,395 to £1,631,757 in the year to August 15, 1971—the chairman, Mr. I. A. Walton, considers that the figure will at least double by 1981.

He emphasises that this estimate takes no account of any future increases in rental levels over the decade and excludes the benefit of acquisitions and developments under negotiation and of any transactions which will take place within that period.

In considering future growth the directors have looked at the question of the expected rent reviews and reversions over the next 10 or so years. In this context they say it should be remembered that, in ganeral, properties purchased prior to 1960 will have been let on 21 year leases witb no rent reviews, those bought between 1960 and 1965 will have had provision for a review at the 14th year and tbose acquired subsequently will have been let nn leases with seven yearly rent reviews. At the present five yearly reviews are becoming common.

It therefore follows that a large number of rent reviews and reversions will take affect in the current decade, some from leases dating back many yesrs and others in more recent years, says Mr. Walton.

As reported on September 16 group pre-tax for the past year was £582,973 (£355,827), the dividend is stepped up from 14 to 15 per cent., a one-for-five scrip issue is proposed and the directors forecast maintenance of the 15 per cent. rate on the increased capital.

A further £2m. of loan capital was advanced during the year by Royal Insurance Company and since the end of the financial year arrangements have been made to obtain additional funds of £2m from Guardian Royal Exchange Assuranca Group. Holders will be asked to approve plans for the already announced issue of £1m. unsecured convertible loan stock to Union Superannuation Fund These additional funds hava permitted substantial additions to the company's properties during the year and ample provision remains for the planned programme of expansion.

Year end group properties appeared at £25.26m. (£23.13m.) and loan capital at £10.65m. (£9.84m.). Commitments were £2.51m. (£2.05m.) plus authorised expenditure of £0.53m. (£2.1m.).

Meeting Glasgow, November 24 at 11.30 a.m.

Reed International goes ahead

AFTER showing a rise of £1.3m. to £6.5m. at the end of the first quarter, profit before tax of the Reed International group for the six months to September 30, 1971, advanced by £2.7m. to £13.2m. compared with the same previous year period.

Figures for 1971 include those of Twyfords Holdings, acquired with effect from April 1. Pre-tax profit attributable to Twyfords for the half-year was £500,000, of wbich £300,000 is in respect of the second quarter.

	First Half 1971 £m.	1970 £m.
External sales	281.3	245.6
U.K.	196.8	188.7
Overseas	84.5	56.9
Trading profit, etc.	23.3	21.0
Loan interest	4.8	4.8
Depreciation	6.9	6.5
Profit before tax	13.2	10.5
U.K.	9.0	6.5
Overseas	2.0	3.3
Associates	1.6	0.7
Taxation	5.5	4.5
U.K.	3.6	2.6
Overseas	1.1	1.4
Associates	0.8	0.5
Net profit	7.7	6.0
Outside interests	0.5	0.6
Attributable	7.2	5.4

Earnings per £1 Ordinary share are shown at 3.9p (3.4p) for the second quarter and at 7.9p (6.4p) for the half-year. For all the year to March 31, 1971, earnings per share were 11.5p.

The intarim dividend is maintained at 5 per cent. Last year's total was 12½ per cent.

Mr. S. T. Rydar is chairman of the group, which is engaged in paper, paperboard, packaging printing, publishing (IPC), and wallcoverings.

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Hepworth tops £2½m.: 3% extra

PRE-TAX group profits showing an advance from £2,079,154 [illegible] £2,522,795 for tha year to Augu[illegible] 31, 1971, and an increase of 3 p[illegible] cent. to 18 per cent. in the di[illegible] dend total, with a final recom[illegible] mendation of 12 per cent., a[illegible] announced by John Hepworth an[illegible] Son.

At half-way, profits of th[illegible] group of multiple tailors were [illegible] from £934,056 to £1,144,733.

	1970-71 £	1969-70 £
Group profit	2,522,795	2,07[illegible]
Net profit	1,478,395	1,00[illegible]
U.K. tax charged	*1,044,400	[illegible]
Pref. dividends	39,750	[illegible]
Ord. interim	237,465	[illegible]
Proposed final	474,930	[illegible]
To reserves & retained	676,250	415[illegible]

* After transfer to parent equalisa[illegible] account £32,400 (£29,360).

Meeting, Leeds, on Decem[illegible] 15.

See Lex

ISSUE NEWS

Henry Stuart (Fabrics)

Arrangements are in hand for an offer for sale next year of the shares of Henry Stuart (Fabrics) of Leicester. Tha offer will be handled by Singer and Friedlander and application will be made for quotation on tha London Stock Exchange.

HS produces double jersey knitted fabrics far sale to ladies' and men's clothing manufacturers. In tha year ended Juna 30, 1971, sales were approximately £3m. and net pre-tax profits were in excess of £200,000.

MALAKOFF RUBBER

Arbuthnot Latham and Co., announce that in respect of tha Malakoff Robber Estates rights issue acceptances have been received for 966,625 shares and that excess applications totalled 598,618 shares. All applications for less than six excess shares per 100 shares beld have been allotted in full with a minimum of 10 shares. All other applications bave been allotted in the proportion of six shares for every 100 shares beld rounded off to the nearest 10 shares.

Allotment letters will be posted on Thursday.

COASTAL STATES GAS BONDS

The $50m. First Mortgage 7¾ per cent. Bonds, Series E, due 1991, in Coastal States Gas Producing Company have now been sold. The bonds were issued through an underwriting group headed by Kuhn Loeb and Co., tha [illegible] Boston Finance Corporation, Paina Webber Jackson and Cu[illegible]

Midland Bank statistics

Statistics compiled by the [illegible] land Bank show that the am[illegible] of "new money" raised in [illegible] U.K. by the issue of market[illegible] securities in October was £[illegible] This brings tha total for the [illegible] ten months of 1971 to £[illegible] which is £397.4m. more than in [illegible] corresponding perlod last [illegible] and compares with £634.0m [illegible] the first ten months of 1969.

More than half the tota[illegible] "new money" raised [illegible] accounted for hy a rights issu[illegible] 24m. Ordinary shares by British Petroleum Company £122.9m. Among other com[illegible] issues was an issue of Ordi[illegible] shares by Cable Trust for £[illegible] Last month's total included [illegible] issues by the Greater Lo[illegible] Council for £49.5m. and by City of Cardiff for £4.9m.

NEW DEALINGS

Dealings started yesterda[illegible] the Mid-Sussex Water Comp[illegible] 8½ per cent. Redeemable P[illegible] ence Stock 1976. Compared [illegible] an average allotment pric[illegible] £105.55 per cent. the stock o[illegible] and closed at 104¼.

OTHER ISSUE NEWS

Nnva (Jersey) this pag[illegible]

OFFICIAL QUOTATIONS

Permission to deal in and quotation for the undermentioned securities has been granted:—

Associated Dairies—3,539,322 new Ordinary shares of 25p each, fully paid.

Derritron—1.5m. New Ordinary shares of 10p each, fully paid (nil paid).

Dundee and London Investment Trust—8.8m. Ordinary shares of 25p each, fully paid; £125,000 5 per cent. Cumulative Preference stock.

G. and M. Power Plant Company—375,000 New Ordinary shares of 20p each, fully paid.

Jones Stroud (Holdings)—1,516,948 New Ordinary shares of 25p each, fully paid.

Ladbroke Group—368,585 New Ordinary shares of 25p each, fully paid.

Land Securities Investment Trust—45,600 Ordinary shares of 50p each, fully paid.

Mixconcrete (Holdings)—566,449 New Ordinary shares of 25p each, fully paid (nil paid).

Penning Motor Group—590,000 New Ordinary shares of 10p each, fully paid (nil paid).

Queens Modern Hotels—2,479,3[illegible] Ordinary shares of 5p each, fully [illegible] (nil paid).

Rowntree Mackintosh—18m. Or[illegible] shares of 50p each, fully paid (ex[illegible] talisation); 18m. New Ordinary sha[illegible] 50p each, fully paid.

Seatherns-Evans—869,591 New Or[illegible] shares of 25p each, fully paid.

Helsinki (City of)—$U.S.15m. 8 [illegible] cent. Bonds 1981-86, fully paid (repre[illegible] by Bonds to Bearer in denominati[illegible] $U.S.1,000).

TEMPORARY SUSPENSION OF QUOTATION

Permission to deal in and quotati[illegible] the undermentioned security has bee[illegible] porarily suspended from 9.30 a.m. [illegible] request of the Company pending p[illegible] tion of particulars of the reorgani[illegible] of the Company.

Bandarapola Ceylon Company—[illegible] of 25p each, fully paid.

RECENT ISSUES

EQUITIES

Issue Price p***	Amount Paid Up	Latest Renunc. Date	1971 High	1971 Low	Stock	Closing Price p***	+ or −	Div. & or Amount	Times Covered	Gross Yield	P/E Ratio
♦	F.P.	—	335	300	Anglo-Am.Ind.Cp.(R1)	300	......	t32½	†1.8	6.1	11.4
♦	F.P.	—	220	145	Carron Co. (Hldgs)	170	+5	b20	2.3	2.9	14.9
55	F.P.	19/11	60	54	Continuous Stat'y. 10p	58	−2	b27½	1.9	4.7	11.0
90	F.P.	10/12	88	85	Crouch (Derek) (20p)	87	......	b20	1.8	4.6	12.1
130	F.P.	24/11	132	125	Davies & Newman	127	......	b30	1.6	5.9	10.3
‡	F.P.	—	84	74	Dolec.Pet&Lei.Ser.20p	83	......	b7½	2.7	1.8	20.0
14	F.P.	3/11	13½	12	Empress Serv.(H'gs)10p	12	......	bd10	1.2	8.3	10.3
55	F.P.	10/12	65½	59	Ford (Martin) (10p)	63	+1	b25	1.6	4.0	15.8
135	F.P.	12/11	45	40½	Francis Parker 10p	40½	−1½	bd20	1.6	4.8	14.4
—	F.P.	29/10	99	80	Grand Met. Warrants	80	−5	—	—	—	—
—	—	28/10	90	85	McKaySecs.Cap.Shares	85	......	—	—	—	—
—	—	28/3	38	27	Sime Darby Warrants	34	−1	—	—	—	—
—	F.P.	26/11	161	121	Slater W.Secs.W'rr'nts	121	−2	—	—	—	—
100	F.P.	29/10	105	100½	Slater W.Inv.Tst.(50p)	100½	−½	b4	—	2.0	—
90	F.P.	2/11	84	60	Tigon Group	63	......	bd35	2.0	4.2	12.1
—	—	5/11	55	38	Tr'falg'r Hse'B'W'rr'ts	48	−½	—	—	—	—
11	F.P.	—	27	23	Yule Catto (10p)	23	−1½	y12½	1.3	6.4	14.6

FIXED INTEREST STOCKS

Issue Price	Amount Paid Up	Latest Renunc. Date	1971 High	1971 Low	Stock	Closing Price	+ or −
‡‡	F.P.	—	123	106	Adepton new 8½% Conv. Uns. Ln. 90/95	109	−2
100	£10	20/1	14½	10⅞	Agr. Mort. 9% Deb. 1979-82	11½	−¼
100	£25	29/2	27¼	25	Allnatt London Props. 9½% Deb. Stk 96-2001	25	−1
100	£10	26/1	12½	9⅝	Birm. (City of) 8% Red. Stk. '79-81	9⅝	−⅝
98	£10	19/1	12⅛	9¼	Bristol Corp. 7¾% Red.Stk. '79-81	9¼	−¼
‡‡	F.P.	17/9	117	98	Butterley 10% Part. Conv. 1976	117	......
99¼	£10	21/1	12⅞	10½	Cardiff Corp. 7¼% Red. Stk. 1977	10½	−½
100	F.P.	22/10	129	105	Cavenham 10% Partly Conv. '91-6	122	......
100	F.P.	22/10	105¼	101½	Do. 11% Uns. Ln. 1976	104½	......
100	£80	—	80½	80½	Comley & Pitt 8¼% 1st. Mort. Deb. '90-5	80½	......
100	F.P.	—	80½	79½	Dobson Pk. 8¼% Deb. '87-92	80	......
100	F.P.	4/11	110	104½	Dowty 7% Conv. Uns. '86-91	104½	−2½
100	P.P.	14/10	115	104	Drakes 10% Part. Con. Uns. 1976	112	......
‡‡	F.P.	—	85	76	Dundee, Perth & Lon. 6% Conv. Uns. 1976	85p	......
108	£25	12/11	46	30	Eastbourne 10% Red. Pref. 1976	35	......
100	F.P.	12/11	107	104¾	Essex Water 10% Deb. 1992-4	106	......
100	F.P.	29/9	107½	100¾	Flag Inv. 10¼% Deb. Stk. '91-6	107½	+½
99	£70	7/4	71½	70¼	Fodens 9¼% Deb Stk 97-2002	70¼	......
100	F.P.	—	118	106	Gillett Bros. 10% Sub. Uns. '91-6	114	......
100	P.P.	28/10	105¼	100⅝	Grand Met 9¼% Uns. '77/78	104½	......
100	£50	28/10	57½	54⅜	Do. Do. 4⅜% Cum Pref	57½	+½
†	£10	—	10	9	G.L.C. 7⅞% 1981	9	−⅛
100	£25	14/1	33⅝	25¼	Guinness (A.) 10% Uns. 1993-98	31¾	−¼
—	F.P.	3/12	111½	104	Beenan Beldow 10% PrtlyConv.Uns.Ln.1977	108	−3½
100	P.P.	3/12	100	96	Hemdale 9¼% Conv. Uns. Ln. 91/96	96	......
100	F.P	—	104¾	100	Int. Bank 8% 1976	104¾	......
‡‡	F.P.	—	115½	113	Land Sec. 5% Conv. 1985	114½	−½
100	P.P.	1/12	110	100	Lewis & Peat 8% Conv. Sub. Uns. '79-81	107½	......
98	£25	24/3	29½	26½	Lewis (J.) Prop. 8¼% Mort. Deb. '92-7	27½	−¼
100	F.P.	10/12	117	105½	Lon. & Mid. 9¼% Conv. Uns. 1998-01	113½	−1½
**	F.P.	—	104½	104½	Mid.-Sussex 8¼% Red. Pref. 1976	104½	......
£99¼	£25	5/4	29¼	27¼	Morg. Cruc. 9¼% Deb. '95-2000	28	......
**	£10	10/12	22½	22½	Newcastle & Gates. 10% Red. Pref. '76	22½	......
99	£30	15/12	32¾	30¾	Nottingham 8% Red. Stk. '79-80	31	−½
‡‡	F.P.	30/12	109¾	108¼	Pearson (S) 10¼% Uns. Ln. 2001-5	109¼	−½
£100	£50	25/10	72	59	Prop.Inv. & Fin. 6% Conv. '91-96	64	+1
100	F.P.	28/1	98	98	Sime Darby 10% Uns. Ln. 1978	96	......
100	F.P.	27/10	106½	101	Simonside Inv. 4¼% Conv. Uns. 1976	101	......
100	F.P.	29/10	114¼	105½	Slater W. Inv. 8¼% Part Conv. 1991	113½	......
£100	F.P.	1/11	107½	104	Smith Enterprises 9¼% Conv. '85-90	105	+½
**	£10	10/12	25½	25½	Tendring Hundred 10% Red. Pref. '76	25½	......
100	F.P.	10/12	116	109	Tower Assets 10% Ptly Conv. 1976	109	−2
100	F.P.	6/11	108¾	101½	Trafalgar Hse. 10¼% Uns. Ln. 2001-6	107	−½
100s	£26	—	27	26½	Woking & District Water 9¼% Deb. '94/96	26½	......
100	£50	31/12	55½	52½	Yorks Chems. 10% Deb. 1991-6	53¼	......
100	F.P.	29/10	108½	108½	York Water 10% Red. Prm. 1976	108½	......

"RIGHTS" OFFERS

Issue Price p***	Amount Paid Up	Latest Renunc. Date	Stock	Closing Price p***	+ or −
92½	nil	—	Adepton	2½pm	−1
50	nil	3/12	Anglo-Welsh Ord.	nil	......
30	nil	4/11	Do. Warrants	nil	......
13	nil	6/11	Bonochord	2pm	−¼
14	nil	4/11	Brit. Petroleum	61 pm	−18
35	nil	10/11	Cable Trust	1¼pm	−1
100	F.P.	11/11	Chubb & Sons	113	−1
‡	nil	13/10	Cosalt Warrants	17pm	......
10	nil	—	Derritron	1½pm	......
12	nil	3/11	Dowgate & Gen.	1½pm	......
18	nil	5/11	East Rand Cons.	nil	......
‡	nil	5/11	Group Investors Dfd.	¼pm	......
64	nil	3/11	Kingside Inv.	¾pm	+¼
90	nil	16/11	Leeds Assets Defd.	1½pm	−½
30	nil	—	Mixconcrete	9pm	......
17½	nil	—	Pennine Mtrs.	6pm	......
56	nil	5/11	Vaal Reefs	¾pm	−2¼
54	nil	—	West Wits	10pm	......

Renunciation date usually last day for dealing free of stamp duty. o Placing price to public. b Figures based on prospectus estimate. d Dividend rate paid or payable on part of capital: cover based on dividend on full capital. k Figures based on prospectus or other official estimate for 1969-70. p*** Pence unless otherwise indicated. ‡** Issued by tender. ‡ Offered to holders of Ordinary shares as a "rights." ♥ Issued by way of rights. † Rights by way of capitalisation. †† Tender allotment price. ♦ Reintroduced. ‡‡ Issued in connection with reorganisation, merger or take-over. ✠ Provincial quotation. ♣ Introduction. ♠ Issued to former preference holders. ▪ Dealt in under Special Rule. ≠ Price at time of suspension.

BPC starts recovery: loss down to £165,000

THE PLANNED recovery at British Printing Corporation continues, says the chairman Sir Charles Hardie in his interim statement.

He sees 1971 as a transitional stage during which loss areas are being eliminated. It is expected that steps being taken will lead to a profit recovery in 1972.

For the 20 weeks to July 3, 1971, unaudited accounts show a loss of £165,000. After tax and exceptional items there is an attributable surplus of £35,000.

	28 weeks 1971 £000	28 weeks 1970 £000	Year 1970 £000
External sales	37,111	38,425	76,349
Trading profit	1,161	1,708	*3
Printing	1,512	1,705	2,951
Packag'g. paper	232	375	1,042
Publishing loss	891	393	4.000
ILSC	171	*330	*317
Associate	207	208	330
Interest charges	1,326	1,072	2,406
Loss before tax	165	†694	2,409
Taxation	134	289	‡1,212
Outside holders	78	110	106
Exceptional credit	§412	15	844
Attributable profit	35	213	*452

* Loss. † Profit. ‡ Credit. § Surplus arising upon sale of subsidiary £420,000 (nil and £672,000), and properties and investment £495,000 (£362,000 and £532,000). Less rationalisation costs £378,000 (£301,000 and £379,000) ex gratia pensions £75,000 (£45,000 and £88,000), redundancy and compensation for loss of office £40,000 (nil and £83,000). In year 1970 there were other exceptional credits £191,000.

Sir Charles stresses that the comparative figures for the half-year 1970 should be read against the final outcome for the full year. It was in the second half of 1970 that significant partwork losses arose.

Pressure on margins in difficult conditions has been a challenge for the printing companies. The packaging and paper group has suffered from the postal strike and from the recession in the British paper industry. As forecast, losses in publishing have continued, largely on account of projects initiated before 1971. The recovery in the affairs of ILSC has been maintained.

In addition to improving profitability, liquidity has received special attention and since the year end bank overdraft of the group, excluding ILSC, has fallen by £1.8m. to £2m. while creditors are also substantially lower. Borrowings of ILSC (covered by instalment debtors and stock) have also been reduced by £2.3m. to £4.7m.

The prospect for the second half is that the printing, packaging and paper companies will not recover the shortfall in the first half-year compared with the same period in 1970, and that some losses in publishing will continue but at a diminishing rate. There are no partwork launches in this period.

Substantial provisions were made against publishing book stocks at the end of 1970; no part of these additional provisions has been attributed to the figures for the first half of 1970.

BPC's 60 per cent. interest in Haymarket Publishing Group was sold with effect from January 1, 1971; the trading profit for the half-year 1970 was £173,000 and for the year 1970 £265,000.

Loss of ILSC for the half-year and year 1970 includes a provision made against trade indebtedness due from ILSC to date of acquisition on April 1, 1970, of £264,000, and trade losses from that date. The loss of ILSC after interest charges for the half-year 1971 is £45,000: this result is dependent upon a final reassessment of stock and debtors at the year end.

With effect from January 1, 1971, figures include BPC's 25 per cent. equity share of profits in its associated, Marshall Cavendish, and not dividends received as previously. Results for the half-year and year 1970 have been adjusted.

Taxation in the half-year 1971 relates to the associate and tax payable abroad. No credit has been taken for potential relief upon profits in the second half.

See Lex

BOARD MEETINGS

The following companies have notified dates of Board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available whether dividends concerned are interims or finals and the sub-division shown below is based mainly on last year's timetable.

TO-DAY

Interims:—Averys, Bradford Property Trust, Ceylon Tea Plantations, Cray Electronics, De La Rue, Hambros, E. C. Herbert, Ocean Wilsons, Spink and Son, United Carriers.

Finals: — Amalgamated Securities, Berkeley Property and Investment, British Electronic Controls, Brooke Bond Liebig, Colonial and General Invest. Trust, Consolidated African Selection Trust, Crabtree Electrical, East of Scotland Trust, Fairbairn Lawson, Second Consolidated Trust, Smiths Industries.

FUTURE DATES

Interims:—	
Beales (J.)	Nov. 9
Blackburn Assurance	Nov. 4
Capseals	Nov. 5
Charlwood Alliance	Nov. 9
Chubb and Son	Nov. 10
Executex Clothes	Nov. 3
Furness Withy	Nov. 8
Godfrey's	Nov. 9
Hoveringham Gravels	Dec. 14
Itoh (C.)	Nov. 4
Lead and Alloys	Nov. 5
Rothschild Inv. Trust	Nov. 8
Sanderson Kayser	Nov. 3
Shipton Automation	Nov. 5
Trafalgar House Investments	Nov. 17
Finals:—	
Aeronautical & Gen. Instruments	Nov. 3
British Tea Shares Trust	Nov. 5
Clydesdale Investment	Nov. 8
Glos. & Cheltenham Greyhounds	Nov. 5
Kynoch (G. and G.)	Nov. 5
Manchester Liners	Nov. 8
Midland Aluminium	Nov. 5
N.S. Footwear	Nov. 3
Phoenix Timber	Nov. 8
Safeguard Industrial Invests.	Nov. 3
Warner (R.)	Nov. 8
W. Ribbons	Nov. 4

Hugh Baird confident

Despite increasing costs, with continuing pressure on margins, the directors of Hugh Baird and Sons, look to the future with confidence.

Mr. N. B. Baird, chairman reports that the 1971 barley crop is of "fair to average" quality has, in general, been harvested in good condition. There is some improvement in demand for brewing malt, but prospects for distilling malt are not so encouraging, he adds.

As reported on October 14 group profit, before tax, for 11 months to July 31, 1971 was £319,644 (£177,801 for previous year) and the dividend rate is held at 12½ per cent.

Extensive re-organisation of administration, considerable additions to mechanised plants and the greatly increased rate of malt deliveries brought about the improvement in profit, explains Mr. Baird.

Further drying and storage facilities will be brought into operation this year.

Meeting Glasgow, November 24, noon.

Nicholas Internl. progress

LAST YEAR was one of re-organisation and adjustment for Nicholas International, following the merger with Aspro-Nicholas, reports the chairman, Mr. M. A. Nicholas.

It has also been marked by intensive development activity in all major markets and a record number of new product introductions took place.

A detailed programme of future product and market development has been drawn up; and Mr. Nicholas is confident that over the next five years it will be measurable by a steady improvement in results and commensurate gains in the existing rewards to shareholders.

As reported on October 2, group net profit attributable to Ordinary in the year ended June 30, 1971, was $A3.63m. ($3.42m., including 15 months of Aspro-Nicholas). The dividend is again 6½ cents.

Meeting, Melbourne, November 25, at which shareholders will be asked to sanction a new group employees' profit-sharing plan.

Chairman's Statement Page 12

Ever Ready Trust net revenue up

Consolidated first-half net revenue, after tax, of the Ever Ready Trust improved from £134,000 to £143,953—the parent's figure amounted to £140,752, against £138,865. The tax charge was £19,845 (£15,121).

The interim dividend is held at 1.75p per 25p share, absorbing £70,000. The total for the year to March 31, 1971, was 5.25p paid from consolidated net revenue of £222,897.

Book value of the parent's investments stood at £3,132,609 (£2,916,028) and the market value including full dollar premium was £7,132,053 (£6,082,167). Net asset value per share after allowing for current dividend was 166½p (144½p).

BIDS AND DEALS

Giltspur bid approach to AB Maltsters

MR. MAXWELL JOSEPH's interest in the brewing industry has led to Giltspur Investments, where he is chairman, making an approach to Associated British Maltsters which could lead to a £10.3m. bid being made. In August, Mr. Joseph's Grand Metropolitan Hotels defeated Watney Mann in a hard-fought battle for London brewers, Truman Hanbury Buxton.

News of the approach sent ABM's shares up 26p to 140p, which is 5p above the 135p a share Giltspur stated its offer would be worth. Giltspur, after slipping 1p, closed unchanged at 138p.

Explaining Giltspur's interest in ABM, Mr. A. Fowler, the managing director, said: "We see it as a broadening of the base of Giltspur's industrial earnings." A takeover of ABM would lead to involvement "in an industry where we see growth potential," he added.

Reaction at ABM was non-committal. Mr. Robert Brown, the deputy chairman, said the directors were not yet decided on the price indicated by Giltspur and they were now seeking advice. Mr. Brown did comment, however, that Giltspur were "rather remote from our trade." He said that no talks had taken place between the two Boards.

In a statement, ABM said the terms were being studied in conjunction with Charterhouse Japhet, particularly in relation both to a preliminary announcement to be released on November 5 and to a property revaluation already in hand. A further announcement would be made in due course.

Apparently, Giltspur already owns a small number of shares in ABM, but Mr. Fowler declined to say exactly how big the shareholding was. He said it was anticipated an announcement of specific terms, hopefully with the agreement of the ABM Board, would be made within the next few days.

See Lex

ASSOCIATES DEALS

Laing and Cruikshank on Friday sold for investment clients 10,000 Limmer at 56½p; bought for discretionary clients 5,000 at 56p; and sold for an associate 5,000 at 55½p.

Robert Fleming bought for associates, being investment clients, 20,000 Limmer at 56½p.

L. Messel bought on behalf of Trafalgar House 10,000 Limmer at 58p.

Cazenove purchased 205,000 Limmer at average of 58.341p on behalf of an associate of Tarmac.

Astaire, on behalf of associates, bought 80,000 Anglo Continental Investment and Finance at between 80p and 81p and sold 10,000 at 59½p.

Laurie Millbank bought 30,000 Overseas Financial Trust at 55p on behalf of associates.

Kitcat and Aitken bought for associates of Bovis a total of 80,000 Page Johnson at prices ranging from 153p to 160p. Also for associates of Bovis they sold 20,000 Bovis at 210p.

Stenhouse £4m. cash bid for Garthwaite

Stenhouse Holdings has agreed that the insurance broking division A. R. Stenhouse and Partners will make an offer to purchase the Lloyd's insurance broking group Sir William Garthwaite (Holdings) with effect from October 1.

The directors of Garthwaite, a private company, will recommend the offer and they and other holders, representing over 50 per cent. of the issued capital, have agreed to accept.

The consideration, which will be cash, will be based upon Garthwaite's audited results for the year ended September 30, 1971. Profits for the year before tax are estimated to be in the region of £500,000. A circular will be sent to Stenhouse holders before the end of December giving full details, but it is anticipated that the price will be in the region of £4m. cash which will be financed entirely from existing group resources.

Mr. Hugh Stenhouse, chairman of Stenhouse Holdings, said the insurance broking operations of Stenhouse and Garthwaite's were largely complementary. He went on: "While Stenhouse is principally concerned with general insurances, and life and pensions, Garthwaites is particularly strong at Lloyd's and in the marine and reinsurance fields. Furthermore, the inclusion in the enlarged group of Garthwaite's substantial subsidiary in the U.S. will mean that we now operate for the first time in North America."

RAYBECK

Raybeck announces that the third instalment of the purchase price for Sepra-Suede Group (and the minority interests in its subsidiary Elizabeth Martin) acquired with effect from May 1, 1969, has now become payable. It has been satisfied by the issue of 30,326 Ordinary shares of 10p in Raybeck.

ALLIANCE PROP.

Mr. James Rowland-Jones, who is campaigning against the agreed bid for Alliance Property Holdings from Cornwall Property, claims in a letter sent out yesterday that "supporters of my point of view of what Alliance is really worth have purchased several hundred thousand Alliance shares in the stock market in the past two weeks at prices up to 118p a share. They have not done this in order to accept 105p from Slater Walker, nor do they wish to acquire Cornwall shares."

Mr. Rowland-Jones has sent out the letter in response to one from SW about the situation—which apparently was not issued to the Press.

He repeats that stockbrokers Read Hurst-Brown produced the following calculation: "On the basis of asset values of 40p for Cornwall and 150p for Alliance, Cornwall's asset value would rise to 76½p (78½p ex-conversion). The bid is therefore highly beneficial for existing Cornwall shareholders."

Mr. Rowland-Jones comments: "This is like mixing skimmed milk with double cream—the result of this magic formula—a bottle of gold top. Your appreciation of this performance depends on what you start with."

Meanwhile, Read Hurst-Brown, which has now twice been quoted by Mr. Rowland-Jones, issued its own statement saying their circular was incorporated in a previous letter from him without their knowledge or consent. They emphasised they have no association of any kind with Mr. Rowland-Jones.

Courtney Pope gets Versatile

Terms have been agreed for the acquisition of Versatile Fittings by Courtney Pope Holdings, subject to a satisfactory accountant's report. Versatile is a wholly owned subsidiary of Hambledon Estates: its ultimate holding company is W. H. Smith and Son (Holdings).

Principal activity of Versatile is the manufacture of all metal modular shop fitting systems which, when combined with Courtney Pope's large scale production of joinery-based store equipment will both cater for retailers at all levels throughout the U.K. and will provide the springboard for participation in the European market.

Profits of Versatile for the year ending January 29, 1972, are forecast to be £100,000 and the net assets amounted to £700,000 at January 30, 1971. Consideration is estimated to be in the region of £500,000, cash.

Courtney Pope has been advised in the negotiations by Charterhouse Japhet.

FARROW & JACKSON

Farrow and Jackson and Purdy holders have approved the terms of the agreement for the purchase by a wholly-owned subsidiary from a subsidiary of Fenchurch Insurance Holdings of the unexpired term of the lease of the office premises at Mansell Street and Prescot Street, E., held by Fenchurch for £475,000. An increase in borrowing powers was also approved.

More bids Page 30

INTERNATIONAL COMPANY NEWS + EURO MARKETS

Hoogovens presses merger talks with Hoesch

BY A. H. HERMANN

HOOGOVENS, Holland's principal steel producer, is pressing strongly ahead with merger negotiations with Hoesch, one of the larger West German steel companies.

If the deal goes through, the resulting company would have an annual capacity of about 11.5m. metric tons of steel and would be second only in size within the EEC to the German August Thyssen Huette, with its 12.5m. ton output.

Confirmation of a new momentum to the merger talks by a Hoogovens spokesman was accompanied by the company's denial of any similar talks with the British Steel Corporation. It also coincides with Hoesch's own announcement that it foresees no immediate improvement in current poor business position.

Hoogovens expects that the merger would aid expansion by combining the two companies' investment resources, and would also strengthen their raw materials supplies by allowing both concerns to participate in mining projects. At present, the two steel makers co-operate in various projects, notably the long-delayed Maasvlakte iron and steel works, near Rotterdam. Hoogovens also has a 14.5 per cent. holding of Hoesch equity, which it acquired in 1966 when Hoesch merged with Dortmund-Hoerder Huettenunion.

But when, or even if, the merger talks will produce any result remains far from clear. The negotiations have continued for some time now with varying degrees of intensity. One of the main obstacles to their success has been the hostility of the West German trade unions towards any diverting of investment funds into foreign projects.

Reynolds Metals project

BY OUR OWN CORRESPONDENT ATHENS, Nov. 1.

REYNOLDS METALS, of the U.S., has decided to establish a plant in Greece to supply alumina to its aluminium-producing factories in European countries, Mr. Louis Reynolds, chairman of the company, said. The company will submit its proposal to the Greek Government to-day.

The proposed plant will require an investment of $100m. and will have an annual production of 400,000 to 600,000 tons of alumina. It will use Greek bauxite as its raw material and will set-up its own power generating station.

If the proposal is accepted by the Government, the plant will be ready two years after an agreement is signed.

Mr. Reynolds said 25 per cent. of the $100m. investment will be put-up by Reynolds Metals. The balance will come from other foreign sources or will be raised locally.

U.S. group plans to sell shares internationally

BY WILLIAM LOW

THE LONG-AWAITED international share issue by an American company is now being offered to European investors.

Baxter/Travenol International Capital Corp. is issuing 500,000 shares of convertible preferred stock through an international consortium headed by Merrill Lynch Pierce Fenner and Smith. Each convertible preferred share is convertible into one share of common stock of Baxter Laboratories after May 31 next.

Offering price is expected to be the same as the closing price of the Baxter common stock on the New York Stock Exchange on the day before the offering, which has been set for November 9.

The major differences between the Baxter/Travenol stock and the Baxter common shares are that the Baxter/Travenol stock will carry a minimum dividend of 25 cents per share, no matter how low the common payment falls, and that no withholding tax will be imposed on the Baxter/Travenol dividend payments.

Although the Baxter/Travenol shares will be quoted on the Luxembourg Stock Exchange, most dealings are expected to take place on the over-the-counter (unofficial) market. Merrill Lynch plans to maintain an active secondary market in the stock in Europe.

The issue is likely to attract a strong response from international investors, but some European bankers and brokers maintain that the "Euro-equity" concept will not prove itself until about one year has passed—by which time it should be possible to determine just how active international interest has been.

HK paper to go public

BY OUR OWN CORRESPONDENT HONG KONG, Nov. 1.

THE SOUTH CHINA Morning Post Company, which owns one of Hong Kong's leading English language daily newspapers, is to go public.

At the annual general meeting of the company on November 18, the shareholders will be asked to pass a number of resolutions which will provide for a one-for-one bonus issue of shares and will enable the company to seek a quotation on one, or all, of Hong Kong's Stock Exchanges before the end of December this year.

The likelihood is that the company will float 25 per cent. of the nominal share capital of $HK10m.

Offering 25 per cent. of the company has become standard practice here in Hong Kong, but there is no indication yet as to what the terms of the offer will be, but the company will probably be floated as an offer for sale, rather than a placing.

● ASSOCIATED SPRING CORPORATION results for nine months ending September 30 showed earnings of $4.0m. or $1.90 per share, compared to $4.6m. or $2.22 per share last year. Sales totalled $90.3m. ($90.1m.)

Bank of California in London

By Giles Merritt

THE BANK of California yesterday opened a London branch to offer Euro-currency lending facilities to its U.S. customers, as well as a range of commercial banking services.

The San Francisco-based bank is the seventh major Californian bank to do so. Its move to London follows its establishment at the beginning of last year of a Nassau branch, and is aimed at improving its participation in the Eurodollar market.

The Bank of California's Nassau branch has been handling an annual average of $60-70m.-worth of Eurocurrency business, and Mr. L. Harvey Davis, vice-president and manager of the new London branch, says this volume will now be expanded "very considerably."

The chairman of the Bank of California, Mr. Charles de Bretteville, who is in London for the branch's formal opening, says that "the branch will provide a full range of activities in the international money market, with emphasis placed on corporate and multicurrency finance."

The bank is the 33rd largest in the U.S., with assets of $2,000m., and as well as its London and Bahamas branches, has opened branches in Japan and the Philippines. Outside California, it has an Edge Act subsidiary in New York, as well as offices in the States of Washington and Oregon.

● TOYOTA MOTOR COMPANY said after tax profit rose to Yen 5,211m. in the six months ended September 30 from Yen 4,876m. in the previous six months on gross sales increased to Yen 557,130m. (Yen 486,024m.). The company announced an unchanged dividend of Yen 3.75.

PHILIPPINE PAPER INDUSTRY

PICOP aims at 80% of market

BY JUAN MERCADO, MANILA CORRESPONDENT

PICOP, the major Manila-based Paper Industries Corporation of the Philippines, has just inaugurated a £27.4m. pulp and paper complex here, where demand still far outpaces supply.

Located in Surigao del Sur, one of the southern provinces of the Philippines, it will eventually produce 420 tons daily of newsprint and containerboard.

The bulk of capital has been raised locally, although International Paper Company has taken 12½ per cent. of the equity and is supplying technical "know-how." PICOP itself is run by a leading management firm headed by Jose Maria Soriano, whose investments in the Philippines range from beer to mining and textiles to steel drums.

Philippine demand for paper has risen over the last 13 years by 75 per cent. In 1956, per capita used stood only at 8 lbs and by 1969, this had gone up to 14. Between 1960 and 1970, the total demand for paper and paperboard products in the Philippines increased from 142,000 to 271,000 short tons and newsprint made up 33 per cent. of these purchases. The average annual bill for newsprint amounts to £5.2m.

60% imports

Even so, this booming Philippine demand is still far below the high paper consumption levels set by Japan (243 lbs per head), Hong Kong (156 lbs), Nationalist China (55 lbs) and Malaysia (30 lbs). Nevertheless, the Philippines enjoys a 9-10 per cent. increase in demand every year for newsprint, containerboard and similar products.

Domestic production, surprisingly has lagged. Local mills here met only about 40 per cent. of total Philippine needs last year, so 270,000 tons had to be imported.

There are now 18 paper mills in the country, with nine more planned; but PICOP's £27.4m. complex will remain the biggest for some time yet. Most of the existing mills are small and cluster in Manila's suburbs. Their combined assets total only £13.2m. and they employ about 6,000 workers while providing direct support for another 6,000 in the special products line. They could also be said to give indirect employment to 18,000 in the printing, packaging and publishing industries. Last year the paper industry produced 65,000 short tons of paper, 31,000 tons of paper board and 60,500 tons of pulp. But productivity at these mills is low, mainly due to a shortage of pulp. Total pulp produced locally is estimated at 30,000 tons, although the rated capacity utilisation is also low at 36 per cent.

Producing pulp in the existing small capacity mills is expensive. Many mills are forced to depend on imported pulp, and were in fact set up at a time when exchange controls allowed pulp to be imported at subsidised dollar costs.

Since controls were lifted in 1962 and a floating rate exchange adopted for the Peso in 1970, these mills have been floundering. Imported pulp turned out to be as costly as imported paper itself. By late 1968 a noticeable shift to bigger mills and integrated operations had occurred.

PICOP's new mill will have an annual capacity of 80,500 short tons of newsprint when it goes into full production early next year. Significantly, Philippine hardwoods will be the basic wood material for this newsprint, and mostly this will be waste wood. PICOP thinks it can supply 80 per cent. of the Philippine newsprint requirements over the next five years. Certainly the bulk of its production has already been contracted for by the country's major newspapers.

NORDIC FREIGHT GROUP FORMED

By Our Own Correspondent

OSLO, Nov. 1.

FIVE Scandinavian shipping companies have jointly formed a Scandinavian air freight organisation—Scandinavian Pegasus Air Cargo Enterprises. The five companies are Fearnley and Eger, Fred. Olsen and Co. and Wilh. Wilhelmsen (all Norwegian), the Swedish Broström concern, and the Danish East Asiatic Company.

Initially, "Pegasus" will arrange the air shipment of cargo to the U.S. and Canada, and later to the Far East and Australia as well, using chartered aircraft. Eventually, it may acquire its own aircraft.

Separate Pegasus companies have been registered in the four Nordic countries—Denmark, Norway, Sweden and Finland—under the name of SPACE A/S, and the Scandinavian head office of the company will be in Gothenburg. It will have air cargo terminals in Oslo, Gothenburg, Stockholm, Malmø, and Copenhagen.

IN BRIEF

Europe

● IBM has purchased property for the building of a factory near Valencia. The projected factory is said to be one of the largest of its kind in Europe and will become operational by 1974 and create 7,000 new jobs. The factory will be connected by a 14-kilometre-long speedway with the city of Valencia and the projected toll-operated speedway Barcelona-Valencia-Murcia along the Mediterranean coast.

● THE AUSTRIAN FEDERAL STATE will float a Sch.1,000m. (£16.6m.) loan between November 3 and 8. Half of the issue, Tranche "A," will have 7 per cent. coupon, 15-year at 98.75 and is subject to tax concessions (15 per cent. tax rebate provided purchaser does not sell the bonds before maturity). Tranche "B" is a 6¾ per cent. 8-year loan issued at 97 per cent. and offers no fiscal privileges.

● YUGOSLAV AGRICULTURAL BANK is to set up a joint-venture company in Zurich together with the Union Bank of Switzerland, Stamaco Finanz-und-Handels, and CIBA-Geigy. The new company, in which the Yugoslav bank will hold a 40 per cent. capital share, is to carry out engineering works, to finance individual projects, to deal in export and import business and to represent other companies. A similar undertaking is to be formed in Munich together with the Association of Agricultural-Industrial Enterprises of Yugoslavia and the Association of Tourist Organisations of Yugoslavia.

North America

● GILLETTE net income for nine months to September 30 last fell to $44.081m. from $48.110m. on net sales of $524.9m., against $488.4m. Company expects sales for full year will be higher than in 1970, although earnings may be slightly lower.

● UNITED STATES STEEL CORPORATION, together with privately owned Spanish steel company, Altos Hornos de Vizcaya, several major Spanish commercial banks and savings institutes, formed Altos Hornos del Mediterraneo, new steel company for construction and operation of Spain's fourth integral steel plant, near Sagunto on Spanish Levante coast. New company will still have to get relevant permits from Industry Ministry for investment of about £600m. in new plant which, according to conditions established by Ministry, will have to become operational by 1975-1976, with initial annual production capacity of 6m. tons.

● TEXACO consolidated net income for nine months ended September 30, was $658.59m., or $2.42 a share, compared with $569.47m., or $2.09 a share, for same period 1970. This was a 15.7 per cent. increase. Gross production of crude oil and natural gas liquids in first nine months 1971 averaged 3,502,000 barrels a day, up 10.3 per cent. over the 1970 period.

● DISTILLERS CORPN.-SEAGRAMS sales for year ended July 31 last rose to $1,512m. from $1,437m. Net income increased to $60.1m. from $56.7m. before extraordinary items reported last year. Board proposes two-for-one split of company's Common stock.

● FORD MOTOR Company of Canada reported third quarter earnings of $16.5m. ($15.1m.), or $2 per share against $1.83 on sales of $368.7m. (336.9m.). Nine months net earnings were $36m. ($48.6m.) or $6.75 per share ($5.87) on sales of $1,068.9m. ($987.8m.).

Others

● NISSAN MOTOR after-tax profit rose to Yen 15,223m. in half-year ended September 30 from Yen 14,357m. in preceding six months on higher gross sales of Yen 460,310m., against Yen 417,019m. It declared unchanged dividend of Yen 4, including stock dividend of Yen 1.

● MITSUBISHI PAPER MILLS dividend Yen 2.50 per Yen 50 par value share for six months to September 30 (Yen 3 for term to March 31). After tax profit fell 37.6 per cent. to Yen 363m. ($581m.). Heavy decline in profit was mainly caused by a slump in art paper and pulp market. Gross sales Yen 24,270m. (Yen 24,119m.).

● LEND LEASE MANAGEMENT, managers of Australia's General Property Trust, have announced a rights issue, a bigger guaranteed minimum return for unitholders, and the proposed purchase of an interest in a Sydney office redevelopment scheme. The new issue will be on a two-for-three basis at $A1 per unit, payable 10 cents on application and 90 cents by the end of March, 1972. It will raise $A4m. and increase the trust to $A10m. New units will rank for dividend from April 1, 1972. Lend Lease Corporation has underwritten the new issue and agreed to increase the distribution guarantee to unitholders from 8½ per cent. to 9½ per cent. per annum until June, 1974.

WESTINGHOUSE STOCK SPLIT

By Nicholas Colchester

NEW YORK, Nov. 1.

WESTINGHOUSE ELECTRIC CORPORATION, one of the most conspicuously successful U.S. companies in the third quarter profit listings, announced that it had decided to split its stock two-for-one and make a public offering of 4m. of the new shares, or something under 5 per cent. of its new share capital.

The company will split its stock on November 29, given shareholders' approval, and the offering will take place later this year, subject to conditions in the stock market. The money raised from the stock issue will be used to pay off bank debt.

Westinghouse announced that it would pay its standard 45 per cent. dividend before any of these upheavals. Westinghouse had intended to raise its dividend to 50 cents a share, but that move could not be considered at the moment because of the freeze on dividends imposed by President Nixon.

SELECTED EURODOLLAR BOND PRICES

MID-DAY INDICATIONS

	Bid	Offer
Straight		
Atlas Copco 9½pc 1985	103	104
ASEA 9¾pc 1986	97½	98½
Beecham 8½pc 1986	98½	99½
Borregaard 8½pc 1986	99	100
Conoco 8pc 1986	98½	99½
Conoco 9½pc 1985	105¼	106¼
Courtaulds 9½pc 1985	103½	104½
Denmark 9pc 1982	105½	106½
Esso 8pc 1986	100½	101½
Esso 9pc 1985	106½	107½
General Mills 8pc 1986	98½	99½
GUS 8½pc 1986	98½	99½
Hambros 9½pc 1985	104½	105½
Hamersley 9½pc 1985	102½	103½
ICI 6½pc 1982	91	92½
Ireland 8½pc 1989	94½	95½
ISEC 9pc 1986	104½	105½
Massey-Ferguson 9pc 1982	101½	102½
Monsanto 8½pc 1985	103	104
Mt. Bk. Finland 8½pc 1986	97	98
Occidental 9½pc 1982	96	97½
Oslo 8½pc 1986	97½	98½
Olivetti 9½pc 1985	103½	104½
Ontario Hydro 8½pc 1986	100½	101½
Philips 6½pc 1976	95	96
Quebec Hydro 8½pc 1986	98	99
Transocean Gulf 8pc 1986	98½	99½
Notes		
Cabot 8½pc 1975	102½	103½
Ericsson 8½pc 1975	103½	104½
Esso 7½pc 1978	100	101
Esso 8½pc 1975	104½	105½

	Bid	Offer
Gatx Oswego 8½pc 1977	100½	101½
Hawker 9pc 1975	102½	103½
Nippon Pet. 7½pc 1973	99½	100½
Oslo 9pc 1975	104½	105½
Transocean Gulf 8½pc 1975	103½	104½
Source: White Weld Securities.		
Convertibles		
American Can 4¾pc 1988	79½	80½
American Brands 5½pc 1988	106	107½
Amoco 5¼pc 1984	98½	99½
Beatrice 7½pc 1990	117½	116½
Borden 6½pc 1991	105½	106½
Chrysler 5pc 1988	75	77
Continental Tel. 5pc 1988	87½	95½
Cummins 6¾pc 1986	101½	102½
Eastman Kodak 4½pc 1988	100	101
Equity Funding 5½pc 1989	84½	85½
Firestone 5pc 1988	100	101
Ford 6pc 1986	106½	107½
Fuji Photo Film 6½pc 1986	120	
Honeywell 6pc 1983	109½	110½
Kinney 6½pc 1990	106½	107½
Komatsu 6½pc 1984	89	90
Michelin 6pc 1985	97½	98½
Murphy 5pc 1989	77	78
Owens Illinois 5pc 1977	95½	96½
Pepsico 4¾pc 1981	128	129½
Revlon 4½pc 1983	101½	102½
RCA 5pc 1986	87	88
Texaco 4¾pc 1988	83	84
20th Century Fox 5pc 1987	54½	55½
Union Carbide 4½pc 1982	91½	92½
Source: Kidder, Peabody Securities.		

COMPANY NEWS

STURTEVANT IN JAPAN

An agreement has been signed between the Sturtevant Engineering Company, part of the Drake and Cubitt Group, and the Nakashima Manufacturing Company, of Osaka, Japan, for the manufacture and sale in Japan and other countries of south-east Asia of Sturtevant electrostatic precipitators, air filters and oil mist filters.

IDV will prosper in the 70's

LOOKING forward into the 70s, Mr. H. C. Berens, chairman of International Distillers and Vintners, believes the company will prosper, because "I see things going our way in a number of directions and because we have the right management team to exploit these opportunities."

It would seem apparent, he says, that rising costs and wage increases have now marginally slowed down. The current year's profit is expected to be "somewhat better" than the £7.66m. of 1970-1971, and the next year should start to show a more positive move forward, followed by yet better times ahead.

The directors are firmly of the opinion that Britain's entry into the Common Market should bring a number of benefits, provided the terms continue to be negotiated on a fair and reasonable basis.

On the introduction of VAT, they believe it will take "some bedding in," but over the long term it should work beneficially within the trade.

As stated on October 1, group sales for the year ended May 31, 1971, were £118.28m. (£106.32m.), profits were £7.66m. (£7.59m.), and the dividend 12 per cent. (same).

Year-end cash balances came to £1.37m. (£3.29m.) and overdrafts and short loans to £14.68m. (£11.66m.). Mr. Berens concedes that liquidity shows some deterioration, and says that at the right time and under the right circumstances "appropriate steps will have to be taken to improve this position.

Watney Mann is the holder of 30.16m. Ordinary shares—around 37 per cent. of the total.

Meeting, 30, Portman Square, W., November 25 at noon.

WINDING-UP ORDERS

Mr. Justice Plowman in the Chancery Division yesterday made orders for the compulsory winding-up of the following companies:—

Nurseryland (Kent), B.H.H. Engineering (Coventry), Devis Plastics, John Swift (Cleeners), Tribec Engineering, House Purchase Company, Seaman and Mason (Produce), Midland Steel and Plant, Zephyr Car Hire and Taxi Service, A. Dobson (Neckwear), H. Collett, G. C. Horsburgh and Co., Capital Fibreglass, Bowden and Warren, Tidyburn, Wathen Insurance Brokers, Hamilton Blumer, Grosvenor Arts, Jean Bell, Sharp and Oughton International, Framptons (Glastonbury), Berkeley Canada (Foods) and Plecefame.

Orders for the compulsory winding-up of Shellodge Securities and Catalyst Products (Leisure), made last month, were rescinded and the petitions dismissed by consent. A similar order against Club Cubana was rescinded and the petition struck out.

BIDS AND DEALS—(Contd.)

British Lion negotiating acquisition

Shares in British Lion, the film group, rose 19p to 74p yesterday when the market became convinced that something was in the wind. This was confirmed later by the Board in a statement which revealed "discussions are taking place which may lead to British Lion making a major acquisition."

They promised a further statement as soon as possible and urged shareholders in the meantime to hang on to their shares.

After the announcement the share price eased back to 68p, an improvement of 13p on the overnight level.

KEITH & HENDERSON

Keith and Henderson, wholesale wool merchants, has received an approach for the trading assets, stock, goodwill and lease of one of its properties. This does not involve any offer being made for all, or part, of the company's share capital.

Announcing this yesterday, Mr. E. Keighley, chairman of K and H, said the approach had been from a company in a similar sphere of operations to K and H. The proposal was being considered and a further announcement would be made when discussions had reached a conclusion.

Mr. Keighley was speaking at the annual meeting. He told holders that a professional revaluation of properties had recently been undertaken. Final reports had not yet been received, "but it is understood that a substantial surplus over book value is likely to be shown," he said.

REDMAN HEENAN

Redman Heenan International is to sell its wholly owned subsidiary, Iwel Engineering, to Frank Lewis and Co. (London) for a consideration in the region of £85,000.

Payment will be in cash, based on an agreed sum in excess of net assets of Iwel at September 30, 1971. Accounts to that date are in course of preparation so it is not at present possible to arrive at a definitive figure. Completion will be not later than the end of November.

APPROACH FOR ASHWORTH AND STEWARD

A 15p jump to 95p in the shares of Ashworth and Steward (Holdings), the Warwickshire property investors, developers and builders, followed its announcement yesterday that a tentative approach had been received which could lead to an offer being made. At this level the company is capitalised at £1.9m.

In the year to February, 1971, Ashworth suffered a setback in profits from £240,000 to £144,000. Part of the problem was the house building division which incurred a loss of nearly £20,000 compared with a £25,325 profit the year before.

Substantial shareholdings are held by Mr. A. W. Jordan, managing director, with 38.2 per cent. of the equity, and the Wesleyan and General Assurance Society with 12.5 per cent. Mr. A. K. Carlyle is chairman of both Ashworth and Wesleyan and General.

JOHN JAMES ACQUISITION

The John James Group of Companies has acquired Stetesbury Tubes and Fittings for £150,000 cash. Net asset value of Stetsbury is approximately £150,000.

ELLIS KENSINGTON IN TALKS

A take-over of Ellis (Kensington), plumbing, heating and ventilation engineers, is on the cards. In a statement yesterday the directors disclosed that discussions were taking place which could lead to an offer being made. Shares in Ellis rose 8p to 120p.

at which level the company is capitalised at £2.4m. Any bid would require the blessing of the directors since they have a controlling interest.

In recent years, the company's profits have been on something of a plateau at the pre-tax level, rising from £267,000 in 1965-66 to £291,000 in 1969-70. At the net earnings level, however, the picture has been rather more erratic. For the year ended August last, the directors have already forecast profits of not less than in 1969-70.

BANDARAPOLA CHANGES

The Board of Bandarapola considers it would be advantageous if holdings in the present company were replaced by shares in a new holding company which would own all the shares in the existing company and the company's investments.

It is proposed therefore to form a new holding company—probably named Bandara Investments—and that holdings be exchanged on the basis of one 5p share in the new company for one 35p share held.

Sale proceeds of the estates in Ceylon are still blocked and it is believed that the present structure of the company does not enable them to conduct its investment activities efficiently.

The quotation has been temporarily suspended pending publication of full particulars.

BALFOUR DARWINS IN AUSTRALIA

Eagle and Globe Products Pty., the Australian subsidiary of Balfour Darwins, Sheffield-based steel and tools group, has acquired a controlling interest in the engineers' tool making companies, Frost Engineering, and its subsidiary, Green Bros. and Miller Pty. of Hamilton, Victoria.

GEDONG

L. C. Securities (Properties) has informed Gedong Investments that L.C. has sold 40,000 Gedong shares thus reducing its holding to less than 10 per cent.

Decca sees profit increase

GROUP profits for the first six months of Decca, the records, television and electronics concern, should be maintained at about the level of the comparable period last year, chairman Sir Edward Lewis told the annual meeting.

"We look for a satisfactory increase for the full year, to which each division is expected to make a major contribution," he added.

Sales of records in the U.S. have been at a reduced level for the first half of the current year resulting in a substantial reduction in profits, stated Sir Edward. Results of the second half should show an improvement on the comparable period last year. In the home market record sales had been maintained at a satisfactory level.

During the last few months sales of colour television had improved sharply and as a result of the continuing high demand for television and audio equipment, "the profits now being earned in this division are becoming of increasing significance in relation to the group as a whole."

The Navigator and radar companies were showing "much improved results."

After the meeting there was a demonstration of Teldec's video disc system. Sir Edward said it was generally considered by independent and authoritative observers that the video disc offers the simplest and cheapest method of providing pre-recorded audio-vision programmes for the mass consumer market.

He said it was hoped that the video disc system would be marketed in the U.K. during the year 1973-74. The video disc player (which is plugged into a television set) would sell at about £70 for black and white and £150 for colour—before tax—while the discs themselves would cost about the same as to-day's long-playing records.

Walker & Homer

DEMAND for Walker and Homer products (furniture, etc.) continues to grow, reports chairman Mr. G. R. Walker, and the group again has a full order book.

A further factory has been acquired at Bolton with a view to substantially increasing production over the next two years and the chairman anticipates this will make a further contribution to profits in the coming year.

In August a sixth factory was acquired near head office: production here is already up to break-even level and should start to profit in the latter part of the current financial year.

As reported on October 15, profit for the year to July 31, 1971, was £251,850 (£191,204) before tax, with a dividend effectively raised from 37½ per cent. to 40 per cent. A one-for-three scrip is also proposed and a maintained dividend on the increased capital is envisaged.

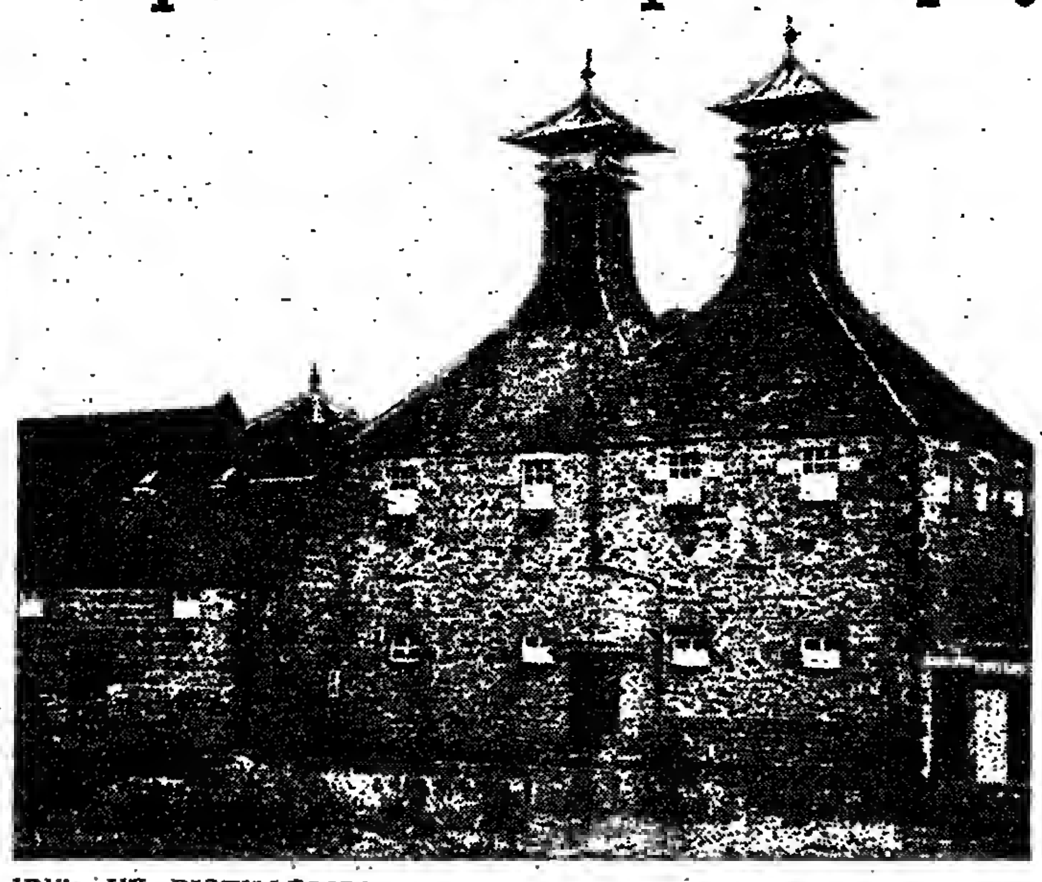
Meeting, Birmingham, November 25, noon.

هكذا من الأصل

'A business is as good as its management'

(20th Century Proverb)

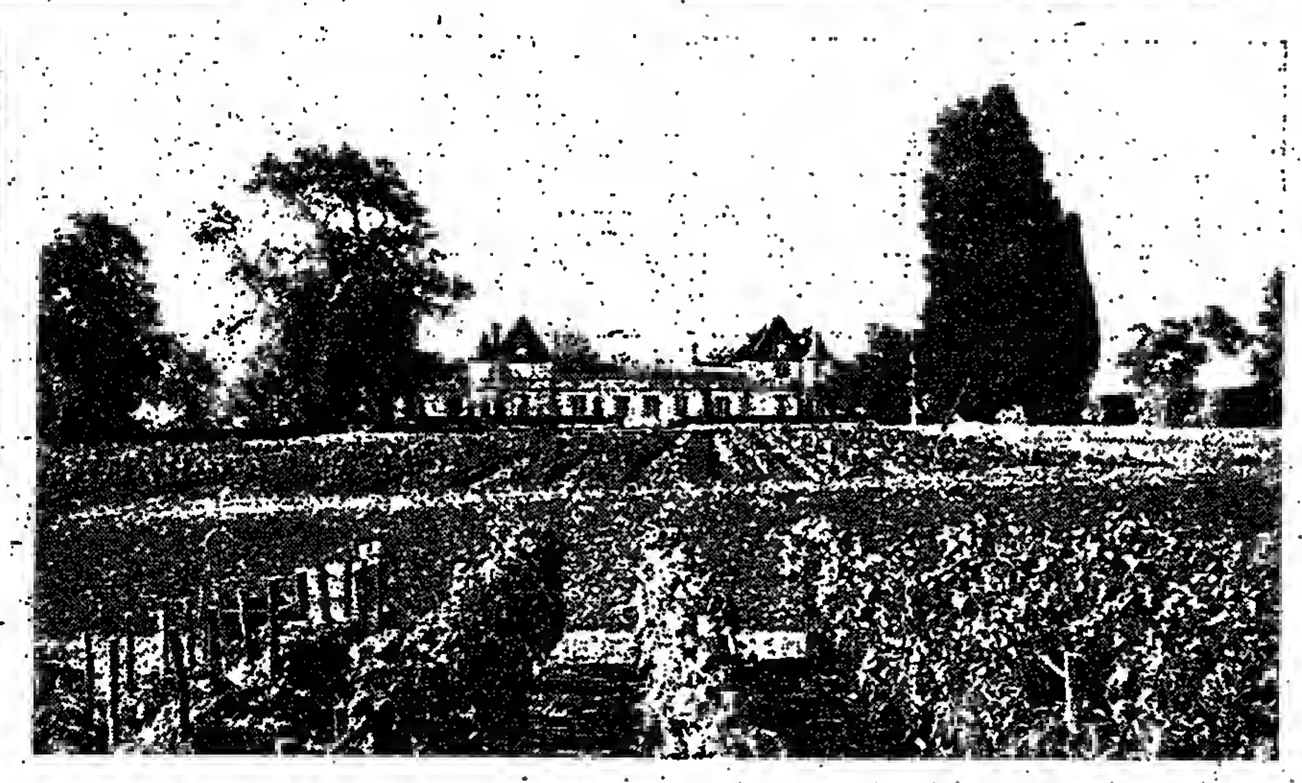
- part of IDV's philosophy



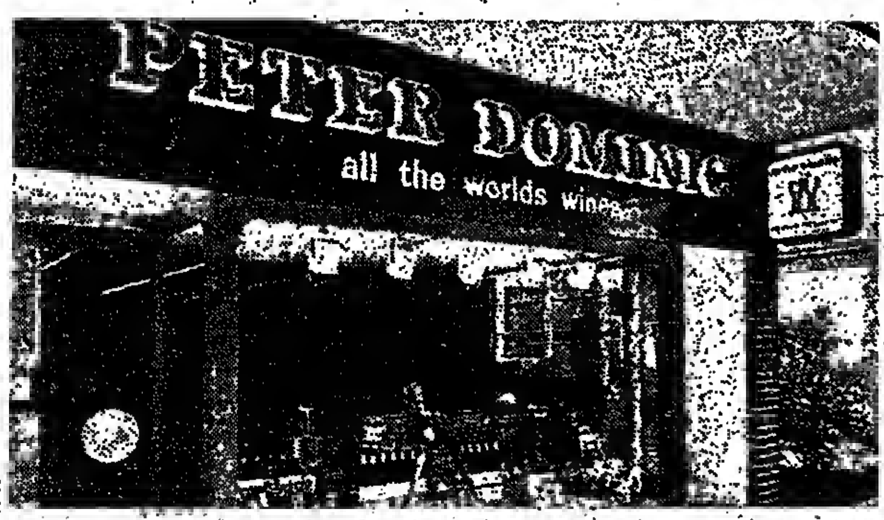
IDV's UK DISTILLERIES. Scotch Whisky, Gin and Vodka are distilled in this country. The Group has recently opened an extensive Scotch Whisky maturing and blending complex at Blythswood, near Glasgow and operates three malt whisky distilleries in Scotland, producing over 1 million gallons a year.

GRAPE PICKERS IN THE DOURO PORTUGAL. Gathering grapes for the well-known range of Croft and Delaforce ports.

IDV BRANDS EXPORTED TO WORLD MARKETS. IDV Export Ltd. was formed this year. Its five operating companies are engaged in the export development of J & B 'Rare' Scotch Whisky, Gilbey's Gin, Smirnoff Vodka, Spey Royal Scotch Whisky and Catto's Scotch Whisky, as well as several other brands.



CHATEAU LOUDENNE, BORDEAUX. IDV's operations on the Continent of Europe are located in France, Spain and Portugal; where their companies are actively attacking world markets, to reinforce sales of their various international brands of wines, including ports, sherries and clarets. In Germany the Group now owns a chain of retail shops in the well-populated Ruhr area.



A PETER DOMINIC SHOP. Peter Dominic, the national retail arm of IDV's Home Trade Company, has 325 shops and last year's turnover totalled more than £22,000,000. The chain trades mainly as Peter Dominic, with other branches operating as Fosters, Hunter & Oliver and Camerons in Scotland.

IDV'S WORLDWIDE ACTIVITIES. The Group's subsidiary and associated companies, together with the distilleries operating on behalf of Gilbey's Gin, are very widespread.

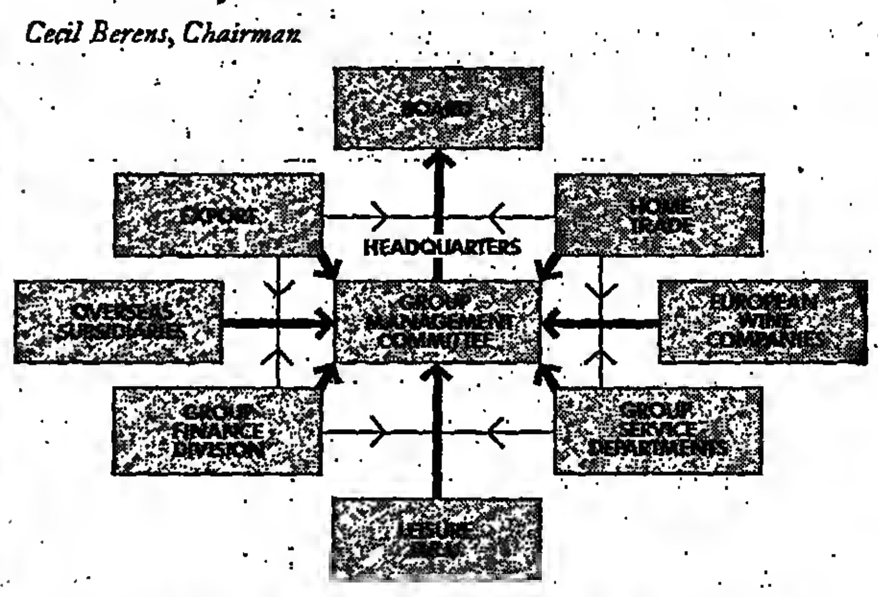
NEW DEPOT AT NORWICH. Plans are set for Gilbey Vintners' management and marketing to move to Harlow, where production is being centralised and a central distribution depot established. To complete the regional distribution, a network of 12 strategically placed regional depots are under construction, to replace the present 53 distribution points.

TRAINING IN PROGRESS. The Group believes strongly in training at each and every staff level. All UK staff, and many trade customers, are trained at the new product school in London.

"Profits (before tax and gross minority interests) were a satisfactory £7,636,000, as against £7,564,000 last year. Although profits showed only a small improvement, sales were at an all-time record of £118,284,000, an increase of 11% on last year.

Since the Group was formed, we have been re-organising all sectors—people, business disciplines and bricks and mortar. We are now well equipped to meet the challenges of this decade. Benefits at home, springing from the steps we have started to take, for the total re-organisation of our Home Trade, are beginning to be felt and the improvement can now be seen to be steadily progressive, aided by the recent increase in wine consumption within the home market. Rising costs and wage increases have marginally slowed down. As matters stand, 1972 profits are expected to be somewhat better than last year. 1973 should start to show a more positive move forward, followed by still better years ahead."

Cecil Berens, Chairman



IDV'S MANAGEMENT STRUCTURE. This outline chart shows the Group's updated structure. It depicts the key operating areas and shows their positions within the Group.

"Every company develops its own management style. Our own management philosophy is now strongly founded upon setting clear objectives and measuring their attainment at stated intervals. We believe in delegating responsibility to the fullest degree. We make sure each man has a clear understanding of the next man's job, which encourages teamwork and counters departmental empire building. We believe we have first-class technicians in all the right places, in the various skills of husbanding our vineyards, running our still-houses, bottling, packaging, marketing and financing our products.

In the ultimate, businesses are people, and businesses are thus, more often than not, as good as their managements. Thus we try at all times to encourage all companies within IDV to find (and keep) the best in their respective fields."

Jasper Grinling, Managing Director

INTERNATIONAL DISTILLERS AND VINTNERS LIMITED

1 York Gate, Regents Park, London NW1 4PU Tel: 01-935 4446
Copies of the Annual Report and Accounts can be obtained from the Company Secretary
The Annual General Meeting will be held at The Churchill, London on November 25th, 1971 at 12 noon.

APERITIF: LILLET CHAMPAGNE: HEIDSIECK DRY MONOPOLE TABLE WINES: CARAFINO, CHATEAU LOUDENNE, DOCURA, JUSTINA, LA TOUR PAVILLON, LA VISTA, LE PIAT DE BEAUJOLAIS PORTS: GILBEY'S TRIPLE CROWN, CROFT PARTICULAR, DELAFORCE HIS EMINENCE'S CHOICE SHERRIES: CROFT ORIGINAL, GILBEY VINTNERS' SHERRIES SOUTH AFRICAN SHERRIES: CAPE HOUSE GIN: GILBEY'S GIN VODKA: SMIRNOFF WHISKIES: J. & B RARE, SPEY ROYAL, CATTO'S SCOTTISH HIGHLAND, QUEEN ANNE, OLD GRAND-DAD BOURBON BRANDY: HENNESSY BRAS ARME, VSOP, XO AND EXTRA LIQUEURS: BOLS MINERAL WATER: PERRIER.

MINING NEWS

Poseidon keeps its powder dry

BY KENNETH MARSTON

THE LATEST quarterly report from Poseidon can best be described as a progress report in the sense that it records only the further steps taken towards the exploitation of the Mount Windarra nickel deposit in Western Australia under the new partnership of America's Union Oil, Hanna and Homestake companies who have made what is believed to be a similar find to the south.

It contains no new outstanding drill results, ore reserves or details of financing and production plans and if Poseidon is reaching the stage when such "sensational" news is ripening, it may be that the fruits will be saved for the meeting which should be due next month. One of these could be the official disclosure that the company has repaid its $10.5m. (£4.0m.) loan from Anglo American Corporation.

No water problem

The latest report is still important. It tells, for example, that in this arid area sufficient water has been indicated to supply both the township and the mine plant, thus avoiding the problems and expense of piping supplies from far distant sources. Then, too, metallurgical test work has shown that a minimum recovery of 85 per cent. can be obtained at a concentrate grade of 11.5 per cent. nickel from ore below the 200 feet level.

Nailing some of the recent vague rumours, Poseidon states that recent drilling has confirmed the previous estimates of indicated ore reserves and tonnage. It has also found modest, but worthwhile, copper values ranging up to 0.32 per cent. in the nickel ore at the Windarra Well section of the property. And the overall ore picture is continuing to grow while nickel marketing discussions continue.

Pending the exploitation of its nickel resources, Poseidon is drawing income from the Young Burra copper mine in South Australia. Only 60 per cent. of the ore mined is being treated by the chemical section of the plant, the rest being stockpiled for when a new heating section is available. Poseidon makes solid progress, but in the absence of sensation the shares fell 40p to 660p yesterday.

SILVER VALLEY COAL DEAL

Agreement in principle has now been reached between Silver Valley Minerals and the Hanwright iron-ore group on a joint venture to develop the former's Mawson coalfield and loading facility in New South Wales.

A holding company, to be 60 per cent. owned by Hanwright and 40 per cent. by Silver Valley, will have the right to mine all underground coal either owned by or applied for on behalf of Silver Valley which will retain the rights on the Nimby freehold area.

Silver Valley will be paid 5 cents (2.3p) per ton royalty on all coal and gravel mined and sold on the freehold areas. Hanwright will purchase about 533,000 Silver Valley shares at 80 cents (37.3p) per share and Silver Valley will be given the right to acquire $0.5m. worth of Hanworth Minerals when the flotation of the latter is made. Silver Valley were 12p yesterday.

Fall in Inco's earnings

HARD on the heels of the weekend news that it is cutting nickel production by a further 15 per cent. following the 7 per cent. reduction announced in August, Canada's International Nickel reports that September quarter earnings here dropped to $23.7m. (£9.49m.) compared with $58.2m. in the same period of last year.

The total for the past nine months is thus brought to $86.4m. (£34.5m.) equal to $1.91 per share, compared with $160.7m., or $2.16 per share, a year ago. A final quarterly dividend of 25 cents makes a total for 1971 of $1.30 compared with last year's $1.40.

It is pointed out that earnings have been helped by non-recurring tax refunds amounting to $6.7m. and the recently announced 7 per cent. reduction in Canada's corporate income tax. Otherwise, the company has continued to feel the effects of the fall in nickel sales coupled with lower copper prices and higher production costs.

But the chairman, Mr. Henry S. Wingate says that "in recent weeks, orders for rolling mill products, and to a lesser degree for primary nickel, have increased slightly in some markets, and there are indications that the level of the company's sales may have touched bottom in the third quarter." Prior to the latest third quarter results, Inco were ½ down at £12¾ in London yesterday.

E. DAGGAFONTEIN

Normal production is expected to be resumed by November 8 at the Anglo American Corporation group's East Daggafontein gold mine following a shaft accident on October 22 when a skip left the guides. Provided there are no further setbacks the mine expects to meet its grade and tonnage targets by the end of the year.

MINING BRIEFS

MOUNT NEWMAN—Iron ore mining operations at Port Hedland and Newman have halted again. The Newman work force has gone on strike and the Port Hedland workers have been stood down.

ANGLO AMERICAN CORPORATION—October: figures in metric tons: Amalgamated Collieries 357,420. Arnot 120,550. Bleshok 49,132. Coronation 136,500. Ingagane 24,366. New Largo 80,282. SA Coal Estates (Witbank) 161,472. Springbok 201,259. Vierfontein 107,076. Vryheid 69,352, coke 51,522. Zululand Natal 23,381. Wankie 240,620, coke 22,260. Group grand total: 1,573,719 (September: 1,626,259).

PAHANG CONSOLIDATED—October: Lode tin concentrates produced and sold 203 metric tons. (September 205 tons).

£97.5m. claim for teachers proposed

BY MICHAEL DIXON, EDUCATION CORRESPONDENT

A £97.5m. pay claim next year for more than 350,000 schoolteachers in England and Wales was proposed yesterday by the 33,000-strong Assistant Masters' Association.

The proposal, for increases averaging 15 per cent., caps the claim recommended by the 262,000-strong National Union of Teachers by about £8m. However, the differences between the claims involve more than total sums.

The 13.7 per cent. average claim recommended by the executive of the NUT, the largest teachers' union, would consist of a flat-rate rise of £250 for all schoolteachers. Proportionately, however, the young teachers who form a large part of the NUT's membership would do better out of the claim than would longer-serving staff.

The flat-rate claim would thus erode the new differential pay scales for older teachers who have reached positions of higher responsibility. The differential scales were adopted after arbitration this year, against the fierce opposition of the NUT.

Yesterday's proposal by the Assistant Masters Association, on the other hand, would reinforce the differentials in favour of the senior teachers who make up the bulk of AMA members.

Teachers at the starting point of the bottom scale—now £1,055—would receive a rise of only £145, or 13.7 per cent., under the AMA scheme, compared with the 23.7 per cent. which the NUT's flat-rate recommendation would give them.

The five main differential scales proposed by the AMA are £1,200-£2,400 (including long-service increment); £1,370-£2,540; £1,670-£2,670; £2,120-£3,120; and £2,540-£3,500. In the first three, extra pay for graduates with good honours degrees would increase the maximums to £2,580, £2,720, and £2,870 respectively.

The two sets of pay proposals are to be discussed soon at special conferences of the respective unions. However, the battling over which set is to form the basis for the schoolteachers' official claim in 1972 will not start until the unions' panel of the Burnham pay-negotiating committee meets later this month.

Turnhouse improvements 'will mean more safety'

THE new runway and terminal buildings planned for Edinburgh's Turnhouse Airport would provide greater air safety, more modern aircraft and improved facilities for East Scotland, it was claimed by the British Airports Authority at a public inquiry into the proposals in Edinburgh yesterday.

Mr. John McCluskey, QC, also said in his opening address that the proposed 8,600-foot runway would mean different flight plans for aircraft, avoiding crosswinds and other flight hazards marring the present airport.

Outlining the benefits of the £9.5m. plans, expected to be completed by 1975, Mr. McCluskey said: "Aircraft are out of use too often because of poor visibility and lack of more sophisticated instrument landing-aid systems." Combined problems led to diversions and disruptions of services, inconveniencing thousands of people during the year.

"The present facilities at the airport are not worthy to serve the Scottish capital. Operators have to continue to use old-fashioned aircraft."

But if the BAA, who took over the airport last April 1, were able to get their plans approved, these difficulties would be considerably reduced.

The BAA estimated there would be 1.6m. passengers a year by 1985—an increase of 160 per cent. Air transport movements were expected to increase by 55-60 per cent.

The inquiry is expected to last several weeks.

London talks on Norwegian £8m. mill plan

By Michael Cassell

REPRESENTATIVES of Norwegian steel manufacturer Christiania Spigerwerk are pressing the Department of Trade and Industry for clearance to proceed with plans to build an £8m. steel mill at Chesterfield, Derbyshire.

It is understood that talks aimed at securing an industrial development certificate for the project, essential before planning permission can be sought, are about to take place in London.

Sites throughout the country have been considered by the company and although it is believed that the DTI has suggested several alternative locations more likely to assist in its regional development strategy, Christiania is attempting to convince the Department that its final choice is most suitable.

LONG-RANGE FORECAST

Mild November expected

NOVEMBER will probably be mild—especially in the first half, according to yesterday's long-range weather forecast.

Rainfall is expected to be generally near average, but it will be below average in South-east England, and above average in West and North Scotland.

Rather unsettled weather is likely in northern districts but in southern and central areas, it will probably be mainly dry with some night and morning fog.

Later this month, one or two short cold spells are likely in all areas. Over the month as a whole, fog will probably be more frequent in inland areas of England and Wales.

The mean monthly temperature is expected to be above average generally but much above in South-west England and South Wales and near average in North Scotland.

In most areas it is likely to be much warmer than usual in the first half of November.

UNIT TRUSTS

BRITANNIA COMMODITY PLUS

The merger of Castle Commodity Plus Units into Britannia Basic Commodities Fund to form Britannia Commodity Plus Units became effective on September 21 and the first distribution payments to unitholders since the merger are being made on November 1, 1971.

For former Britannia Basic Commodities unitholders, the distribution is 99.38p gross per 100 units (60.87p net), for a four month accounting period and for former Castle Commodity Plus unitholders, the distribution is 153.31p gross per 100 units (93.90p net), for a six month accounting period.

The combined Britannia Commodity Plus fund is now worth over £6,000,000.

CUBIC

Unitholders Provident Assurance is introducing a new single premium investment plan called the CUBIC Plan to-morrow.

Depending on the age of the investor and the term of the investment, which can be for any period of 5 to 15 years, the guaranteed plan provides a net annual yield of between 7 per cent. and 7.6 per cent. per annum, payable half-yearly, after income tax has been deducted at the standard rate. A guaranteed amount equal to the original capital invested is returned at the end of the investment term or upon death if earlier.

MYSON GROUP LIMITED

Forecast substantially exceeded

Salient points from the Statement by the Chairman, Mr. R. E. Myson.

* I am pleased to report that the consolidated profits of the Group are £897,830 and have exceeded the forecast made in the Prospectus for the secondary issue in December 1970 by £227,930.
* Although the Offer for Sale increased the issued share capital of the Company substantially, earnings per share have risen from 8·4p in June 1970 to 15p per share. The net assets of the Company have increased from £325,014 to £2,111,664 over the same period, giving a net asset value per share of 58·4p against 22·9p.
* In spite of the unexciting state of the construction industry during the past year, the demand for our heating products has been continually improving. Our expansion programme has proceeded as scheduled and we have been able to take advantage of the benefit of higher volume production. This has reflected in our increased profitability. The corporate strategy of our Company is so planned to take the maximum advantage of the growth potential in the industry of environmental control of our homes and work places.
* Results of the first quarter indicate that the Group will achieve profits well in excess of £1,000,000 for the current year.

THE YEAR AT A GLANCE

	30.6.71	Offer for sale forecast	30.6.70
Sales	£6,448,208	—	£1,605,366
Profit before tax	£897,930	£670,000	£215,128
Dividend per share	6.5p	6.0p	4.75p
Earnings per share	15.0p	10.0p	8.4p

INTERIM STATEMENT

STEEL BROTHERS HOLDINGS LIMITED

GROUP INTERIM FINANCIAL STATEMENT

DIVIDENDS

The directors at their Board Meeting held on 1st November, 1971 declared:—

(a) An interim dividend for the year ending 31st December, 1971 at the rate of 7½% on the issued Ordinary Shares of the Company. This dividend will be paid on 31st December, 1971, less income tax, to shareholders on the Register at the close of business on Monday, 29th November, 1971. This compares with the same amount paid as an interim dividend for 1970.

(b) Dividends on Preference Capital and Interest on Unsecured Loan Stock will be paid to 31st December, 1971, less income tax, to stockholders on the Register at the close of business on Monday, 29th November, 1971.

RESULTS

Actuals Year Ended 31st December 1970 £	Unaudited figures for six months to		30th June, 1971 £	30th June, 1970 £
1,031,708	Group Profit		438,928	450,283
86,572*	Interest on Loan Stock		95,063*	—*
945,136			343,865	450,283
	Taxation less overspill:—			
394,235	Current period	142,049		180,701
(78,988)	Previous Years	(37,721)		—
315,247			104,328	180,701
629,889			239,537	269,582
142,025	Minority Interests		49,742	51,564
487,864			189,795	218,018
112,400*	Dividends on Preference and Preferred Capital		26,062*	86,338*
375,464	Profit attributable to Ordinary Shareholders		163,733	131,680

** Changes in the capital structure of the Company which took place on 31st July, 1970, account for the comparative differences.*

(1) The results to 30th June 1971 represent six months trading for each Group Company and the comparative figures for the previous year at 30th June 1970 have been adjusted to the same basis. The comparative figures at 30th June 1970 have been increased by excluding extraordinary expenditure on closing branches in Chittagong and Calcutta which in the year's results were charged to Reserves and not to Profit and Loss Account.

(2) The actual results for the year 1970 as published have been adjusted to exclude pre-acquisition profits so as to compare with the half yearly figures.

The Group profits for the half year before taxation and interest charges on loan stock are marginally down as compared with the profits for the same period of last year as a result of reduced income from Pakistan and from Western Australia where trading conditions are difficult but other areas are doing well. While it is too early to give an accurate estimate of profits for the full year present indications are that they will not be less than those for 1970.

By Order of the Board
J. G. McCulloch, Secretary.

1st November, 1971.

INTERIM STATEMENTS

STELLENBOSCH WINE TRUST LIMITED

(Incorporated in the Republic of South Africa)

DIRECTORS' INTERIM STATEMENT FOR THE HALF-YEAR ENDED 30TH SEPTEMBER, 1971

PROFIT

The unaudited profits for the six months ended 30th September, 1971, compared with the half-year ended 30th September, 1970, and the year ended 31st March, 1971, are as follows:

	Six months ended 30.9.71 R000's	Six months ended 30.9.70 R000's	Year ended 31.3.71 R000's
Profit after taxation:	3,647	3,260	6,898
Attributable to outside shareholders in subsidiaries:	15	21	43
	3,632	3,239	6,856
Deduct: Preference dividend:	230	173	413
	3,402	3,066	6,442
Deduct: Pre-acquisition profits of Sedgwick Tayler Limited:	—	800	800
Attributable to Ordinary Shareholders:	3,402	2,266	5,642
Earnings per Ordinary Share: (Refer Note)	16.6c	11.0c	27.5c

NOTE:

The profits attributable to ordinary shareholders on a comparative basis (incorporating pre-acquisition profits of Sedgwick Tayler Limited for the five months prior to the merger on 1st September, 1970) for the six months ended 30th September have increased from R3,066,000 (14.9 cents per share) in 1970 to R3,402,000 (16.6 cents per share) in 1971.

COMMENT:

Notwithstanding the increase in excise duties which became effective on 1st April, 1971, and which seriously affected spirit sales, the Company's total sales have grown although at a rate lower than that previously experienced. As expected, cost inflation continued to have an adverse effect on operating expenditure and offset the benefits of rationalising the Company's business with that of Sedgwick Tayler Limited. As a result there has been a decline in the rate of profit growth during the period under review.

In the present economic climate there is a greater degree of uncertainty about short-term growth than was the case six months ago. However, the larger resources of the Company consequent upon its merger with Sedgwick Tayler Limited (which has now been completed) are being applied to ensure that the long-term growth of the Company will continue.

In the light of the results for the period under review and the short-term expectations, it is expected that profits during the remaining six months of this financial year will be greater than those of the comparable period of the previous financial year. Therefore your Directors are confident that the forecast that a dividend of at least 20 cents per share would be payable in respect of profits for the current financial year is still valid.

DECLARATION OF INTERIM DIVIDENDS

NOTICE IS HEREBY GIVEN THAT the following dividends have been declared payable on or about the 13th December, 1971, to shareholders registered in the books of the Company at the close of business on the 19th November, 1971.

(1) ORDINARY SHARES:
Interim dividend for the year ending 31st March, 1972, of 6 cents per share (last year's interim dividend 6 cents per share).

(2) 6½% CUMULATIVE PREFERENCE SHARES:
A dividend of 3¼% (3.25 cents per share) for the six months ended 30th September, 1971.

(3) 7½% CUMULATIVE REDEEMABLE PREFERENCE SHARES:
A dividend of 3¾% (3.75 cents per share) for the six months ended 30th September, 1971.

The foregoing dividends are declared in the currency of the Republic of South Africa. Warrants in payment will be posted on or about the 13th December, 1971, to members at their registered addresses or in accordance with their written instructions.

Warrants in payment of the Preference dividends will be despatched from the Office of the Transfer Secretaries, Johannesburg.

Warrants in payment of the Ordinary dividend will be despatched from the Office of the Transfer Secretaries, Johannesburg, to all payees except those with addresses in Europe, the United States of America and Canada to whom payment will be made from the London Share Transfer Office.

Any instructions which will necessitate an alteration in the Office from which payment is to be made must be received by the Company on or before 19th November, 1971, but shareholders are reminded that any request for a change in the Office of payment from within to outside the Republic requires the approval of the South African Exchange Control Authorities.

Payments from the London Share Transfer Office will be made in United Kingdom currency calculated by reference to the rate of exchange ruling on the 6th December, 1971, or at a rate not materially different therefrom.

South African Non-Resident Shareholders' Tax and United Kingdom Income Tax will be deducted from the dividends where applicable.

The Transfer Books and Register of Members in respect of the Ordinary and Preference Shares will be closed from 20th November to 28th November, 1971, both dates inclusive.

BY ORDER OF THE BOARD,
W. R. STERRY, Secretary.

Oude Libertas,
STELLENBOSCH.
10 & 11, Austin Friars,
LONDON, EC2N 2EY.

29th October, 1971

NOVA (JERSEY) KNIT LIMITED

Interim Statement

The unaudited results of the Group for the six months ended 30th September, 1971 are as follows:

	6 months ended 30th September, 1971 (unaudited) £'000	6 months ended 30th September, 1970 (unaudited) £'000	Year ended 31st March, 1971 (audited) £'000
Turnover	3,726	2,618	6,100
Group Profit	609	302	684
Less minority interest	23	—	—
Profit before Taxation	486	302	684
Less taxation	201	128	255
Available for distribution	285	174	429
Dividend (see below)	88	71	197
Issued share capital (in shares of 20p each)	585	564	564

The increased capacity from our South Wales factory has enabled us to use our own production for replacing outside purchases by our merchanting operation.

The results of our knitting operation in the United States in which we now have an 80% interest have been consolidated for the first time.

The Directors have declared an interim dividend of 15% in respect of the year ending 31st March, 1972 to be paid on 6th January, 1972 to shareholders on the register on 29th November, 1971. This compares with an interim dividend of 12½% paid last year.

A Director has informed the company that he intends to waive the interim dividend on 950,256 shares amounting to £28,508.

Your Directors anticipate that in the absence of unforeseen circumstances the profits before taxation of the Group for the year ending 31st March, 1972 will amount to not less than £1,000,000 and on this basis they expect to be able to recommend to shareholders total dividends in respect of the year ending 31st March, 1972 of not less than 42½% (compared with 35% last year).

The demand for our products continues to increase both here and abroad and is particularly strong from the United States which is supplied from this country as well as from America. In order to meet the increased demand your Directors wish to expand further the capacity of the Group and have therefore authorised an extension of 35,000 sq. ft. to the existing factory in South Wales.

In order to obtain adequate long term finance it is proposed in the near future to make an issue of approximately £1,600,000 of convertible unsecured loan stock by way of rights to existing shareholders. Of this amount £250,000 will be required for the extension to the South Wales factory and the balance will be used to provide additional plant and equipment and the necessary additional working capital. Full details will be announced shortly.

THE SOUTH AFRICAN BREWERIES LIMITED

(Incorporated in the Republic of South Africa)

DIRECTORS' INTERIM STATEMENT FOR THE HALF-YEAR ENDED 30TH SEPTEMBER, 1971.

PROFITS:

The unaudited profits for the half-year ended 30th September, 1971, compared with the half-year ended 30th September, 1970, and the year ended 31st March, 1971, are as follows:—

	1971 Half-Year	1970 Half-Year	1970/1971 Year
Profits after tax attributable to The South African Breweries Limited	R6,186,000	R4,952,000	R14,154,000
Less: Preference Dividends 6.2% Preference Shares	62,000	59,000	121,000
	62,000	43,000	105,000
6% Preference Stock of The South African Breweries, Limited (Incorporated in England)	—	16,000	16,000
Balance available to Ordinary Shareholders	R6,124,000	R4,893,000	R14,033,000
Ordinary Shares in issue	138,112,798	139,112,798	139,112,798
Earnings per Ordinary Share	4.4 cents	3.5 cents	10.1 cents

RESERVES:

During the period under review reserves increased by approximately R1,180,000, mainly comprising net surpluses arising on the disposal of fixed assets, including the remaining portion of the Company's investment in Triomf Fertilizer and Chemical Industries Limited and two-thirds of the Company's investment in Bramridge (Proprietary) Limited.

DIVIDENDS:

Interim dividends payable on or about 17th December, 1971, have been declared as follows:

Ordinary — 2 cents per share, absorbing R2,782,000
(1970: 2 cents, absorbing R2,782,000)

Preference—6.2 cents per R2 share, absorbing ...... R 62,000
(1970: 2.1699 pence (United Kingdom currency) per £1 Unit of Preference Stock of The South African Breweries, Limited (Incorporated in England) for the period 1st April to 25th May, 1970, absorbing R16,000, and 4.3485 cents per R2 share of this company for the period 26th May to 30th September, 1970, absorbing R43,000).

COMMENT:

Beer industry sales in South Africa during the six months ended 30th September, 1971, were slightly below those during the comparable period of the previous year. However, the extension of the Group's interests in the former Whitbread production facilities and the acquisition of the right to market Whitbread products, resulted in an increase in sales and profits of the Group's Beer division in South Africa.

Results in most other sections of the Group's business showed improvements during the period under review. Overall results were favourably affected by the receipt of the last dividend on the Group's investment in Triomf Fertilizer and Chemical Industries Limited, which was disposed of at the beginning of the period. Adversely affecting the results were a lower dividend receivable from Barsab Investment Trust Limited, and lower interest receipts on short term deposits, partly as a result of an increase in working capital. In this connection attention is drawn to the fact that normally the liquor industry is required to finance the excise duty on its products and, therefore, is required to increase its working capital every time excise duties are raised. Following the increases in the rates of excise duty on spirits and beer in March 1971 the wine and spirit industry was administratively granted an additional period of approximately 50 days grace for the payment not only of the additional amount but also of all excise duties. Despite your Company applying for a lesser concession in respect of the payment of duty on beer and notwithstanding the fact that the circumstances attendant upon the payment of duty on wine and spirits are, for all practical purposes, similar to those pertaining to beer, the authorities have not yet seen fit to accede to our application. The effect of being denied this concession so far has increased your Group's working capital by about R3,000,000.

Your Directors deem it their duty to record their strong protest against this action on the part of the Government whereby one section of the liquor industry is afforded a financial advantage over another by means of an arbitrary administrative decision.

Profits earned during the first half of the year are not directly proportionate to those of the full financial year because of the seasonal aspects of the Group's activities and receipt of dividend income.

In the light of the prevailing economic climate, it is difficult to predict earnings for the six months ending 31st March, 1972, with any certainty. The indications are however that there will be little or no growth in earnings during this period and that on this basis earnings for the full year would be about 10% above that for the preceding twelve months.

By Order of the Board,
T. A. TROMP, Secretary.

2, Jan Smuts Avenue,
JOHANNESBURG.
10/11, Austin Friars,
LONDON, EC2N 2EY.
1st November 1971.

THE SOUTH AFRICAN BREWERIES LIMITED

(Incorporated in the Republic of South Africa)

DECLARATION OF INTERIM DIVIDENDS

NOTICE IS HEREBY GIVEN THAT at a Meeting of the Board held on 1st November, 1971, the following dividends were declared payable on or about 17th December, 1971, to shareholders registered at the close of business on 19th November, 1971.

1. ORDINARY SHARES OF 20 CENTS EACH—
an interim dividend on account of the year ending 31st March, 1972, of 2 cents per Ordinary Share (last year's interim dividend 2 cents per share).
2. 6.2% CUMULATIVE PREFERENCE SHARES OF R2 EACH—
an interim dividend on account of the year ending 31st March, 1972, calculated at the rate of 6.2% per annum for the six months ended 30th September, 1971, amounting to 6.2 cents per share of R2.

The foregoing dividends are declared in the currency of the Republic of South Africa. Warrants in payment will be posted on or about 17th December, 1971, to members at their registered addresses or in accordance with their written instructions and will be despatched from the office of the Transfer Secretaries in Johannesburg to all payees except those with addresses in Europe, the United States of America and Canada to whom payment will be made from the office of the London Secretaries of the Company (Barnato Brothers Limited, 10/11, Austin Friars, London EC2N 2EY).

Any instructions which will necessitate an alteration in the office from which payment is to be made must be received on or before 19th November, 1971, provided that any request by members for a change in the office of payment from within to outside the Republic requires the approval of the South African Exchange Control Authorities.

Payments from the office of the London Secretaries of the Company will be made in United Kingdom currency calculated by reference to the rate of exchange ruling on 13th December, 1971, or at a rate not materially different therefrom.

South African Non-Resident Shareholders' Tax at the rate of 12.22% and United Kingdom Income Tax will be deducted from the dividends where applicable.

The Transfer Books and Registers of Members in respect of the Ordinary Shares and the Cumulative Preference Shares will be closed from 20th November to 26th November, 1971, both dates inclusive.

BY ORDER OF THE BOARD,
T. A. TROMP,
SECRETARY.

2, Jan Smuts Avenue,
JOHANNESBURG.
10/11, Austin Friars,
LONDON, EC2N 2EY.
1st November, 1971.

PICKERING GROUP

The unaudited Trading Results for the first half of the financial year ending 31st March, 1972 are announced as follows:

	6 months to 30th Sept. 1971	6 months to 30th Sept. 1970	Year to 31st March 1971
Profit before Taxation	£214,950	£193,397	£540,079
Corporation Tax	£ 85,980	£82,000	£223,231
Net Profit	£128,970	£111,397	£316,848

Present indications are for further progress during the second half of the financial year with satisfactory results. The Directors have declared an Interim Dividend of 30% less income tax payable on 23rd December 1971 to Shareholders whose names appear on the Register on 16th November 1971. I have decided to waive the dividend on my personal shareholding.

E. Pickering
Chairman

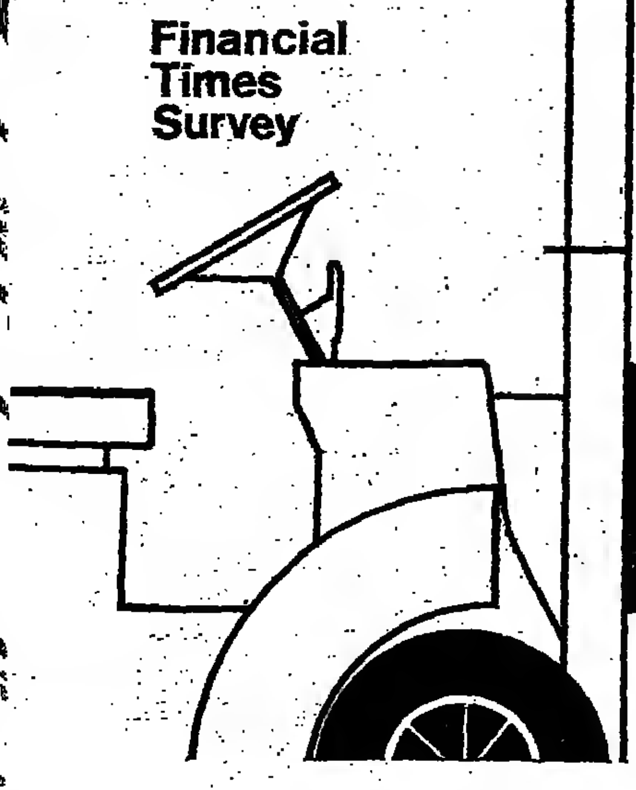
Edgar Pickering (Blackburn) Ltd.
McKee & James (Engineers) Ltd.
Stalwart Dyeing Co. Ltd.
Pickering Lockstitch Ltd.
Edgar Pickering Inc.

Group Office:
Whitebirk Drive,
BLACKBURN, Lancs.
Tel: 57811 (10 lines)
Telex: 63260

هكذا من الأصل

Financial Times Survey

FORK LIFT TRUCK HIRE



Business is now well established

By PETER CARTWRIGHT, Midlands Correspondent

A year that started with a comfortable backlog of orders looks like ending in one of the leanest periods the fork lift truck industry has had since the last cutback in the mid-1960s. Conditioned to a market expansion rate of around 10 per cent. a year with only very occasional setbacks the industry might be forgiven for exhibiting a certain amount of gloom and despondency over the present arid period.

It is, after all, an investment-linked industry subject to much the same economic cycle as machine tools when the market turns sour. Yet such is the longer term confidence of fork truck and associated equipment makers that very few show any despondency, even though most appear to be operating at sales levels of only 50 per cent. of what they were this time last year.

Present conditions

The first two quarters' figures for output give no more than a hint of present conditions. At the end of June production was down only marginally at 12,256 units compared with 12,566 in the corresponding half of 1970. Since then there has been a substantial amount of destocking to take account of the lower flow of orders and production. By the end of the year is expected to show a relatively sharp drop.

The three to five months' worth of orders the industry had at the beginning of the year began to melt away in April and May and had disappeared by mid-summer. The weakness in demand would not have been so difficult to cope with had it been confined to the home market, but this has been one of those exceptional periods when it has been accompanied by a like weakness in world markets. There has been little or no opportunity, therefore, for switching production to overseas markets. With export business accounting for abont 30 per cent. of turnover across the industry, the dual impact has been correspondingly severe.

No real surge in activity is foreseen before the spring and a fuller recovery may not show itself until the third quarter. The Industry tends to follow the general cyclical pattern of the machine tool industry at a distance of about six months in a recession, but precedes machine tools when an upturn begins.

Until the recession has run its course it will not, of course, be possible to measure its impact on the industry statistically. That sales across almost the whole range of equipment have plummeted to something like half is clear evidence of the depths to which it has gone. However, the overall picture may be better appreciated if the current level of activity is set against the background of a strongly expanding industry.

Briefly, the range of equipment spans small hand-operated stacking trucks, reach and fork trucks right across to 50-ton capacity side-loaders costing up to £60,000 for the steel and pre-stressed concrete industries. Something like three-quarters of the market is covered by fnrk and reach trucks in the 4,000-8,000 lbs capacity ranges. Almost 90 per cent. nf output emerges from the factories of 16 manufacturers, although smaller and specialist manufacturers bring the total engaged in the industry to more than 40.

Expansion rate

They live in a fiercely cnmpetitive climate in which aggressive and telling marketing can make significant differences to how individual companies are faring. To competition between domestic companies has been added in recent years that from American-based companies which have become established here, or bought existing businesses. From the statement already made that 16 companies contribute nearly 90 per cent of total output it will be seen that individual output of the 40 or more concerned in the industry varies widely. That so many have survived is again a commentary on the general rate of expansion.

In 1958 only 6,000 fork trucks came on to the U.K. market. Despite the setbacks of 1962 and 1967 this figure had quadrupled by 1970 to bring the estimated home market population to approaching 100,000. In addition leading exporters have been penetrating overseas markets to the extent that in recent times nearly one in four of the trucks sold in Western Europe have come from British factories. In Australia the ratio has been one in five and in the smaller African market, two in five. In all 100 or more markets are served from the U.K.

Now, with survival margins a good deal narrower than even in 1967, the industry may emerge from this temporary phase of sizeable surplus capacity and a hectic fight for many fewer orders rather slimmer in numbers. But those who have the hetter prospects of coming through in good shape can look forward to a U.K. market that analysts helieve will not reach saturatinn, or replacement only point for another 15 years or more.

Some slimming down of the industry may well happen for other reasons. In recent years there has been a strong trend to hiring and leasing, activities in which the major companies are involved on their own accounts, and which smaller units generally find more difficult to support. Just how big a development this has been may be appreciated from estimates that the total hire field represents nearly 15 per cent. of the market, with around a dozen big specialist companies among the 70 or so total of manufacturers and smaller specialists engaged in it.

In many instances growth has been dynamic. One large specialist plant hire company has in eight years gnne from zero to a fleet of more than 1,000 machines, worth about £3m. In 1969 some 150 trucks, worth around £400,000, were added. Last year the addltion was 450 trucks, worth £1.25m. Profitability figures for this kind of operation are not easy to come by, but looking at pre-tax profits as a percentage of gross book values they appear to range between 9 per cent. and 15 per cent. It is oot just coincidence that the most significant growth period in manufacturing covers the period when hiring and leasing have been expanding fast. There are obvious advantages, particularly during a period of tight credit, in renting or leasing, particularly if regular expert maintenance is stipulated. These forms of acquiring what have become indispensable workhorses are certain to go on expanding since their costs are becoming ever more competitive, and no better alternative exists for doing some jobs.

At any rate, the numher of manufacturers who are concentrating In this field, largely through separate organisations, is rising. Significantly, too, the fall in demand has hit the hire specialists much less severely than those selling outright. While business tended to level off early in the year, it appears to have remained a good deal firmer for hiring and leasing, while manufacturers are just beginning to note improvements in the market and the specialists report distinct signs of a hroader-based recovery.

There are, of course, various terms available from plant hirers. Most of them operate casual hire services from the day to up to a year, then switching to contract hire for terms of one to four years, snpplemented by leasing with an option to purchase.

Increased emphasis

In the absence nf statistics covering plant and equipment hire business the share it commands nf the total market can only be an estimate. But it is obviously well established in the U.K. and growing steadily, after the American pattern, and the further potential is regarded as almost unlimited in the coming years. It is even greater in Europe, where pride of nwnership, particularly in Germany, still counts for more than it does here. On the other hand it is recognised that before hiring and leasing can become as firmly established on the Continent a major joh of education has to be undertaken. This, the leaders in the U.K. are now gearing themselves up to do. Their success, here and overseas, is hound to have important implications for manufacturers. It is also clear from the increased emphasis manufacturers are themselves putting on this branch of activities that the specialists are not going to have it all their own way by any means.

A fork lift truck supplied on a five-year hire contract by W. C. Youngman Ltd. of Crawley handling cargo at Shoreham.

FORK LIFT TRUCK HIRE II

Making profits proving a tough proposition

By KENNETH GOODING

Like much of the plant hire industry, fork lift truck hire is fairly new to the U.K. but it bas already attracted a few specialists. One feature of 1970 was the fast growth of fork lift truck hire both in the factory and, to some extent, on the construction side. So far three companies have sold their shares to the public oo the strength of fork lift truck hire prospects—two of tbem taking advantage of last year's boom to do so.

It is certainly interesting to look at the ten-year profits record on those companies. The first to offer its shares to the public was Harvey Plant Holdings, the concern headed by Mr. Jack Harvey who built it up from a small local hirer to tbe country's biggest hirer of fork lift trucks.

In 1960, Harvey, then a privata concern, was in Its second year of business and made e pre-tax profit of £1,540. In the following years the profits progression went like this: 1961, £58,037; 1962, £41,954; 1963, £38,709; 1964, £112,254; 1965, £189,590; 1966, £112,511; 1967, £164,539; 1968, £215,015; 1969, £375,000; 1970, £608,152. An impressive record but one which sbows that even the best-managed companies in this particular market find it difficult to push profits steadily up without an occasional slip backwards on the way.

The same exercise on one of the other fork lift truck hire companies wbich went public gives a similar picture. This concern, L. Lipton, was a pioneer in fork lift truck hire, *starting in the business* just after the second world war when it was operated by the present cbairman Mr. Laurence Lipton's father. Its record reads as follows 1960, pre-lax profits of £29,770; 1961, £45,712; 1962, £43,071; 1963, £61,754; 1964, £116,596; 1965, £116,898; 1966, £135,787; 1967, £137,574; 1968, £159,606; 1969, £327,337; 1970, £398,454.

Once again this shows it is possible to come up against those years when conditions make the earning of extra profits a really tough proposition.

Strong feeling

And a number of observers have a strong feeling that 1971 is one of those years. Stockbrokers Speirs and Jeffrey, for example, point to the Government figures for the first quarter of the year which seemed to show demand levelling off. Orders in band for fork llft trucks were down some 18 per cent. They belleve this resulta from a drop in activity on the warebousing and transport seclors, a point recently endorsed by results from the Transport Davelopment Group and Ralpb Hilton Transport Services.

This must be putting pressure on the hire companies, especially on Lipton wbich is also a supplier of fork lift trucks, bolding the U.K. francbisea for the Komatsu and NYK from Japan and the Sichelschmidt Dixi range from West Germany.

Adding to tha general gloom ls the memory of recent disaster. This involved tbe third of the fork llft truck blre concerns to sell its sbares to tbe public, Vanguard Plant. In July, less than a year after its flotation, Vanguard revealed it bad run into severe liquidity problems and that a "rescue" bid bad been arranged from Harvey Plant.

Vanguard shareholders, wbo paid 60p for the shares when they were first sold, were offered only 15p a share cash, valuing Vanguard at £300,000 compared wlth the £1.2m. price tag put on it wben it went public. Vanguard made pre-tax profits of £121.059 in the year to February, 1970, and had made a forecast that profits would reach £200,000 the following year. But tbe outcome was a loss of £196,451.

What went wrong? Mainly, it seems, the management had been unable to cope with a hig expansion programme. The difficulties centred on two subsidiaries, Southern Mechanical Handling and BCE Plant. Both, according to Vanguard's accountants, had not maintained adequate accounting records for 1970-71 aod their losses amounted to £216,039.

BCE made a large investment in plant which was subsequently under-utilised and led to tbe substantial loss. In addition, Vanguard's commitment to distribute a new design of fork lift truck resulted in 31 trucks being delivered whicb proved less than reliable. Then, Southern Mechanical Handling found some of its equipment was unsuitable for general hire use. These were the problema as outlined by Vanguard's new chairman, Mr. L. J. Evans when recommending the offer from Harvey Plant.

He said the Board, while trying to put things right, had to borrow large funds and it was clear that further big sums would be needed in tha near future. "In addition the liquidlty problems have placed considerable strains on the existing management and your Board are of the opinion that management support from within the industry is urgently required."

Some reservations

There are some observers who have a few raservations about Harvey Plant's decision to bale out the Vanguard shareholders—even at the price paid. Certainly, the Harvey management is taking on fresh problems at a time when all indications are that demand for fork lift trucks is levelling off at least while competition is becoming more and more intensive.

Chairman Mr. Jack Harvey can, bowaver, point to bis team's excellent past record. He said, for example, in his latest annual statement: "The Board is determined to maintain its leading position in this growth sector. We are not committed to any supplier and are able to offer our customers the best and most sultable makes of trucks for their own particular applications, supported by first-class service and maintenance in the field."

If the Vanguard troubles stemmed from management problems the quality of the Harvey management is an important factor in the new situation. Brokers Greene and Co., in their recent plant bire survey, gave this unsolicited testimonial wben discussing Harvey Plant: "We bave a high regard for the management."

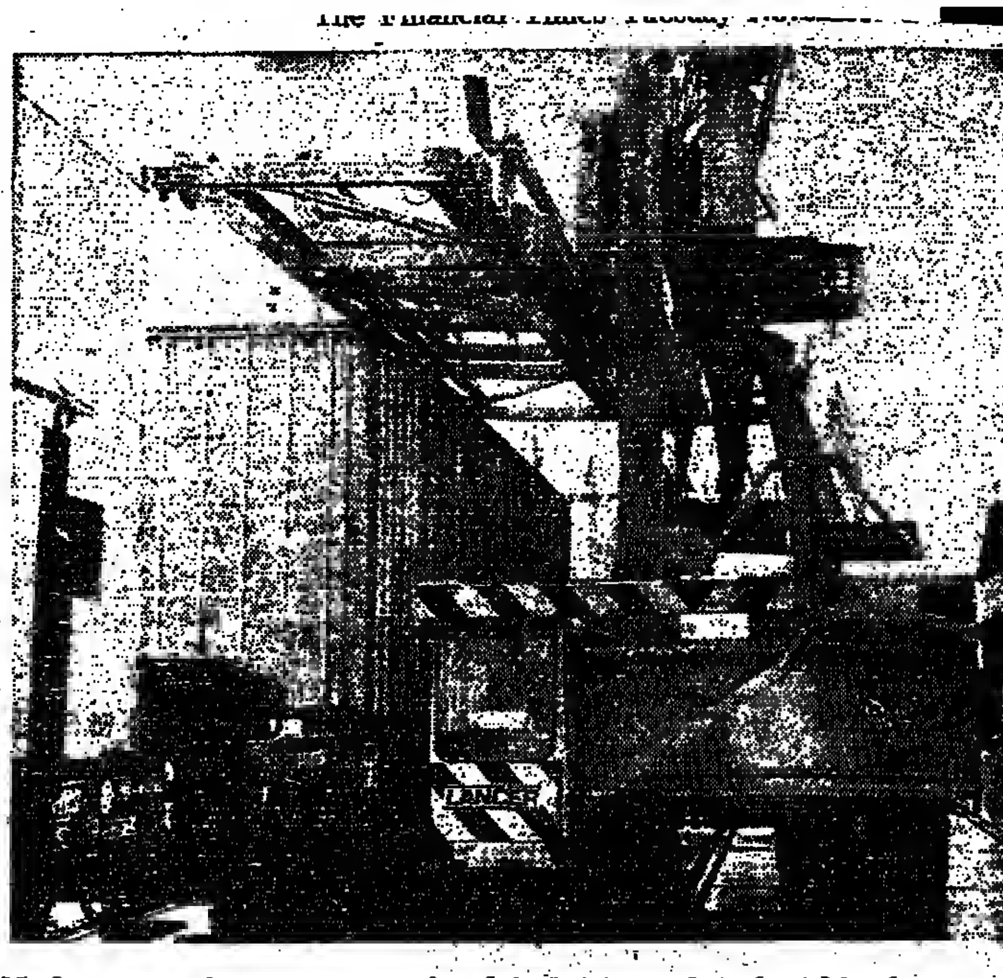
The same brokers were unqualified in their estimate of the Lipton directors, describing the company as baving "one of the best managements in the wbole plant hire field."

Return on capital

They backed these judgments by producing statistics—based on figures up to tbe end of 1970—whicb showed Lipton as making a 30.3 per cent. return on gross capital employed and Harvey Plant making a 24 per cent. return. Profit margins were sbown as 15 per cent. in Lipton's case and 9.9 per cent. in the case of Harvey Plant.

Dealing witb Lipton, tbe brokers added: "Fork lift truck renting, whicb is essentially long term, cannot command same returns as earth mov machinery and for a fork truck renter to earn over per cent. gross and have a tax profit margin of 15 per c shows above-average man ment."

The statistics covering two other major concerns fork lift truck hire, Fork Tr Rentals, a subsidiary of La Bagnall, aod Eddison Plan British Electric Traction pany offshoot, showed FTR a 34 per cent. and Eddison a 22.6 per cent. return on g capital employed while t profit margins were 9.7 cent. for FTR and 11.4 Eddison, both commen performances."



No longer confined to conventional fork lift trucks, plant hire has recen been extended to cover specialised trucks, such as this one from Lancer Bo which is capable of handling 30 ton containers.

Advanced types of equipment

By TONY FRANCE

While there has been no really startling technical development in fork lift trucks recently, several trends in the cboice of advanced types of equipment are apparent, and are being increasingly adopted by fork lift truck manufacturers to meet more exacting demands from industry.

For ease of control, reduced operalor fatigue, and to provide mnch smoother truck movement, a number of manufacturers bave tried installing some form of hydraulic drive, with varying degrees of success, and in general on trucks with internal combustion engines as prime movers. The hydraulic drive provides the long-sought two pedal control, and for fork lift trucks fitted with hydraulic motors, usually in two or four wheels, the motor itself can provide an efficient braking system.

This type of drive can also provide stepless speed control, bigh torque at low speeds, and instant smooth transition from forward to reverse, with minimal transmission shocks. Trucks fitted witb this type of drive are particularly suited to handling fragile shock sensitive loads, and for work io confined areas.

Some manufacturers acbieve somewbat similar results with trucks fitted with torque converter transmissions, and it has been claimed that these are equal to the true hydraulic motor drive, while costing less and providing a more reliable piece of equipment.

Continued search

The continned search for rugged construction, simplicity of operation and ease of maintenance has meant increasing use of solid state electronic controls for the electrically powered battery operated fork lift trucks. As opposed to the contactor type of control, electronic control agaln providea stepless speed changes, and imposes a reduced demand on the batterles, improving the battery life.

Another development is the steadily increasing capacity of fork lift trucks. Where an average indnstrial truck in the past would bave a maximum capacity of about 4,000 lbs tbls has now increased to the 5,000-6,000 lbs range, achieved by improved truck, mast and fork design, and the use of low alloy higb tensile steel for the construction of components bearing critical stresses. This means that increased capacity has often been achieved without increasing the gross weight of the truck.

Straddle carriers

Industrial demand has produced a requirement for trucks capable of handling loads in the 50 tons range, and trucks capabla of handling loads of 100,000 lbs have been developed for the steel industry and in particular for the container transport trade, where such trucks can bandle fully loaded containers for dockside and shipboard loadiog in situations where straddle carriers or side lift trucks are not available or cannot operate.

Freight container transport contractors also bave the problem of storing and shifting empty containers, and may consider it uneconomic to use their 50-ton capacity trucks for this light dnty. Freight handlers usually have a range of fork lift trucks available and a recent development enables them to use a much smaller capacity truck to handle empty ISO containers. An attachment can be fitted to any fork lift truck of suitahle capacity (say 5 tons) enabling it to shift containers from 20 to 40 feet long.

Of box girder construction, the unit is available in two basic forms — a single fixed beam model for one-size container operators, and a telescopic version with hydraulically extending lifting arms. The latter may be in two sizes, one for 20 and 30 feet containers and the other extending to 40 feet to cover the full range. The fixed beam type is available in the three standard lengths.

The units lock on tha con-

Continued on next page

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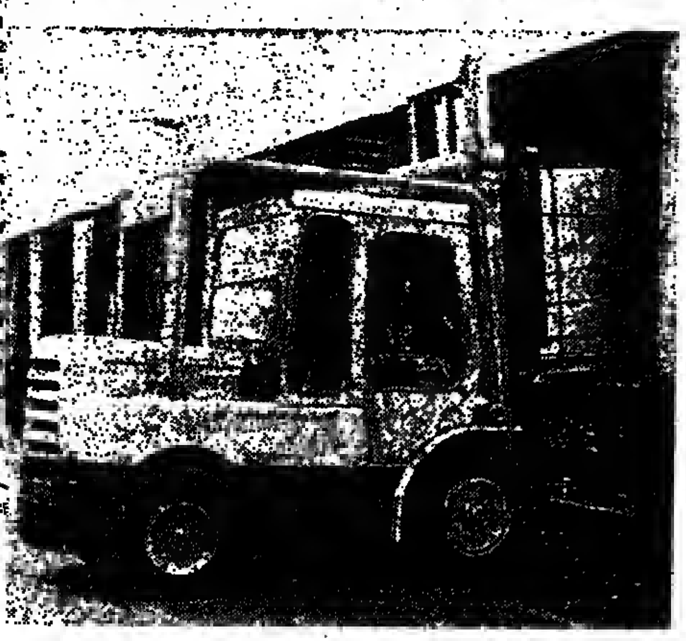
FORK LIFT TRUCK HIRE III

Several alternatives open to operators

y DAVID WALKER

Rental facilities for fork lift ıck operators have been avail- le io this country for the past years. But it is really only ıce 1967 that truck users ve started looking seriously the various alternatives to ırchasing their equipment out- ght, with the greatest changes ming only in the past nine ontha or so.

The growth of these alterna- ves is part and parcel of the neral changes going on in echanical handling. There s recently been much more nsciousness of the importance handling costs in overall oduction overheads, and echanical handling systems d methods of acquisition have



A Hyster Challenger Model H70 fitted with an all-weather cab for driver comfort which has a lifting apacity of 7,000 lbs.

en become a lot more phisticated as a result.

At the same time, the growth truck renting and leasing o owes much to the rapid vance in the size of the rket for fork lift trucks, a enomenon which has now sed, at least for the time ng, but which, over the past ple of years, continued in face of an economic climate t was apparently generally tile to such developments. lasically, the would-be opera- of a fork lift truck has some choices.

Cheapest way

First, he has to decide whether to obtain a w or second band machine. viously, the latter is the apest way out and, in a field ere basic designs alter little r a period of years, it can e few disadvantages.

n general, fork lift trucks produced on almost a one- basis—the intrinsic design l be the same for a large nber of operators, hut the l details will differ accord- to the customer's own needs l specifications. That is true trucks rented (except, iously, on very short term e), leased, or bought out- ıt—save, naturally, where ond hand vehicles are con- ned.

The reconditioning market is in which Britain's fork lift k manufacturers have not n as active as they could c. Now, at least one, sing Bagnall, has a subsi- y (Regentruck) whose prime purpose is the acquisi- tion of secondhand equipment. It rebuilds trucks fully to their original specifications and then offers them for sale with guarantees. The products are aimed particularly at smaller users for whom pricing can be more important than a fully up to date design.

New or old

The choice factors between using new or reconditioned units tend to be obvious. With a new truck, the operator has an up-to-the-minute vehicle with detail design to his specifi- cation and with a potentially longer working life than its re- conditioned counterpart. With a secondhand truck he has comparative cheapness.

Having decided between those two, he then has to con- sider the best means of acquisition—outright purchase, hire purchase, lease, or rental (this latter does not apply to reconditioned vehicles where purchase or leasing are the only options).

Outright purchase is almost always the cheapest method of acquisition, particularly where the customer knows his trucks are going to be fully utilised. The equipment qualifies for the depreciation allowances intro- duced last October when the end of the investment grant system was announced, and the sums actually paid out by the customer in respect of the truck acquisition alone are always less than if he rents or leases it.

But this is where the greater importance nowadays attached to handling costs comes in. For the outright purchaser is also responsible for all the main- tenance of his vehicles, finding and training drivers and mechanics (though most manu- facturers, of course, run their own training schools for drivers and/or mechanics with facilities available to all users of their products) and other associated costs.

Where a vehicle is in use in- tensively, those costs can be high. Moreover, they are not fixed; inflation can push ser- vicing overheads up rapidly and it is impossible for fixed sums to be set aside accurately for them in company estimates.

In addition, outright purchase can put heavy demands on to a company's cash position. If liquidity is tight, various methods of finance can be arranged to allow a credit pur- chase over, say three or more years. But, even with that, the customer's capital is tied up in a piece of equipment which may be under-utilised, or for which the sums expended could have been put to better immediate use elsewhere.

Against that has to be weighed the full control the customer has over the use of his vehicle at all times, and his holding of the equity in what is a potentially valuable capital asset with 10 to 15 years of useful life in it at least if he decides to part exchange it at a later stage.

Where cash flow considera- tions and company accounting methods make the operator turn against outright purchase, he has an option between leasing and renting. Leasing has been grow- ing rapidly in this country in relation to all kinds of capital equipment.

With it, the customer has the use of the equipment as though it were his own—with all the responsibilities for maintenance and so on which go with that—while not having to make a big initial capital outlay. Instead, the truck is purchased by a finance company, which may be brought in after the operator has placed his order with the manu- facturer. The operator then rents it from the finance house.

Lease agreements

Most lease agreements run for up to seven years, with a normal minimum period of three years. At the end of that time, the user may or may not, depending on the system of the particular finance house involved, be entitled to what is in effect a stake in the truck. For example, he may be able to continue the lease at a fixed, generally much reduced sum of money equal, perhaps, to 1 per cent. a year of the outright cash purchase price. Alternatively, the lessee may wish to end the agreement. In that case the finance house may agree to the truck being sold and will then allow the greater percentage of the sales value to be built in as a credit on the further lease plan for the new truck which will be required.

Details vary enormously be- tween the various finance houses, but the last few months have seen considerable moves toward more uniformity.

The regular payments in- volved in leasing can be set against Corporation Tax; and some hedge against inflation is provided by the fact that those payments are fixed.

Against that, there is a lack of flexibility. Where future de- mand requirements cannot be accurately assessed, a lease agreement may leave the operator with cash to pay out for equipment which has be- come under-utilised.

In addition, it leaves the operator responsible for all maintenance costs just as if he had purchased the vehicle out- right. Thus, though the lease costs are known in advance, overall costs again are not. Growing demand has led to fork-lift truck manufacturers introducing contract service arrangements aimed mainly at lessees of their equipment, so that routine maintenance and inspection is provided at fixed prices. But repair charges may still have to be met by the operator.

The final choice is whether to rent, which is the most expen- sive of the alternatives but also the most flexible and the one in which all costs are fully known in advance.

Obviously, many of the advan- tages of leasing apply here, too, including such things as Cor- poration Tax allowances, the lack of initial high capital expenditure, and so on.

The rental company, be it a fork-lift truck manufacturer or subsidiary, or an independent plant hire contractor, has full responsibility for the equip- ment. This can be a great advantage, both as far as cost estimation is concerned, and, for fleet users, in making it un- necessary for stocks of spares to be held, taking up both valu- able storage space and capital. The chances of breakdown are also much reduced by the regu- lar servicing of the rental company; indeed, where large fleets are concerned the renter may well leave a resident engineer on the customer's premises.

Thus, availability of the trucks is at optimum levels, regularly reaching 95 per cent. or more—considerably better than many purchasers or lessees could hope to obtain.

The other great advantage of renting is its flexibility, both as far as exchangeability of models is concerned and through allow- ing increases or decreases in the size of the fleet at times respec- tively of peak or minimum de- mand for the operator's own products. Seasonal business, particularly, can benefit from rental.

Rental periods can be as short as one week where a special job is involved; they can be as long as five years. Rental can be decided on as a permanent answer to meeting fork lift truck requirements; it can be used to fill in over a short or indeterminate period when pro- duction or storage premises are scheduled for vacation because of lease expiry, replanning, or the movement to a new site, thereby avoiding premature capital expenditure and the pos- sibility of accelerated obsoles- cence.

In the last analysis, the whole question of the various options is very dependent on each poten- tial customer's individual situa- tion and overall policy—on how he wants to dispose of his cash flow and what his cash flow position actually is. What is crucial is that, in assessing which of the methods of acquisi- tion is best for him, he com- pares like with like and ensures that his calculations cover all the costs involved each time.

Equipment—(Cont'd)

tinued from previous page er corner castings by hyd- ic twist-locks, and the matic semaphore indicators v "lock-on" and "lock-off" tions. A maintenance fea- of the locks is that they complete units in their own d bearing clusters, and can uickly replaced.

full-floating device is fitted l models to compensate for en loading, or misalign- by the truck driver. All ements are controlled by a pressure hydraulic system ating from the truck's dard equipment.

e increase in container c has led to the develop- of two other specialised lift trucks. One type, for ooard use, is designed so it can be readily moved rd ship and into confined space by being taken apart ıally the driver's seat, ıce weights and batteries one section and the chassis, ols and forks the other. ng lugs and simple clamp- levices enable the truck to plit and joined without , and to be lifted by dock- cranes or ship derricks.

ucks have also been deve- for container "stuffing" for 'tween deck use in), often with the dividing ty just described. The tial feature is a low profile at the truck can actually operate inside the container box. This has been achieved by building the battery in an "L" shape round the driving posi- tion, so that the seat can be positioned on the frame of the truck instead of above the battery as in a conventional machine.

The fork lift truck as a tug for a train of pallet trucks is finding increasing use in ware- houses, airports and in connec- tion with rail transport. This provides the useful facility that the tug loads and unloads its own trailers.

Stacking position

One of the most interesting recent developments is the turret or reach truck for use in warehouse situations where space is at a premium. The trucks are designed to operate in the aisle between the pallet shelving. As the aisles are kept to a minimum width (down to 4 ft) and the pallet shelves may exceed 30 ft in height consider- ably ingenuity has been exer- cised in the design of these specialised trucks.

The load, up to about a ton, is carried within the wheelbase of the truck, and a number of devices are used to transfer the load from truck level to stack- ing position. These include up to three stage lifting masts which are capable of rotating through 180 degrees, forks which rotate, or a reaching frame on a scissor mechanism which may also rotate. This en- ables the operator to reach into the pallet shelves to deposit or remove loads.

Because of the increasing com- plexity of the trucks, and the bulk of the loads carried, driver visibility has become a prob- lem. This is being solved by seats which can swing clear of the truck, can reverse, or slide across the truck body on rails, to get the driver into the best operating position. Mast design is concentrating on providing a good clear view between the main uprights.

Other developments for fork lift trucks are intended to in- crease their versatility. Forks are not the only useful attach- ment for the lifting mast, and even these may be ramped or straight. The truck can be turned into a small crane by the addition of jibs and hooks, auto- matic drum clamps can be fitted for handling barrels, and various other forms of lifting and clamping arms are available such as special equipment for timber handling, or even for handling precision machine parts, for which all the truck movements have to be fitted with a special "slow down" mechanism so that the parts can be handled with sufficient delicacy to avoid damage.

COMPANY NOTICES

IN THE UNITED STATES DISTRICT COURT FOR THE WESTERN DISTRICT OF OKLAHOMA

IN THE MATTER OF FOUR SEASONS NURSING CENTERS OF AMERICA, INC. and FOUR SEASONS NURSING CENTERS OF AMERICA, INC., as relating to Four Seasons Overseas N.V. a subsidiary to the original debtor.

IN PROCEEDINGS FOR THE REORGANIZATION OF CORPORATIONS
No. OK-70-1008
No. OK-70-1008-A

NOTICE AND INSTRUCTIONS FOR FILING PROOFS OF CLAIM

TO ALL PERSONS OR ENTITIES HOLDING 7¼% 1969-1984 GUARANTEED DEBENTURES ISSUED BY FOUR SEASONS OVERSEAS N.V.:

Notice is hereby given that pursuant to an order of the Court herein, all claims based upon ownership of 7¼% 1969-1984 Guaranteed Debentures issued by Four Seasons Overseas N.V. and guaranteed by Four Seasons Nursing Centers of America, Inc., must be forwarded for filing in accordance with the hereinafter set out instructions by delivering Proof of Claim and supporting documents on or before 12.00 midnight, local time, November 15, 1971, to any banking institution for transmittal as a collection item, to The Liberty National Bank & Trust Company of Oklahoma City, Attention: Corporate Trust Department, 100 North Broadway, Oklahoma City, Oklahoma 73102, U.S.A., or placed in the mail direct to The Liberty Bank & Trust Company of Oklahoma City at the above address.

The Court proceedings are directed to working out a plan for the reorganization of the various corporations involved, and among other things, the payment insofar as possible, of the 7¼% 1969-1984 Guaranteed Debentures. An immediate cash distribution of $2,250,000.00 has been authorized and will be paid pro rata upon the filing and allowance of claims based upon these Debentures.

Unless Proof of Claim with supporting documents is forwarded by November 15, 1971 in accordance with these instructions, claimant will not be entitled to vote on any proposed plan of reorganization. Claimant will not be entitled to receive any distribution until such claim is duly filed and allowed. An additional period of time will be fixed by the plan for filing of claims and claims not filed within that period will be forfeited and the rights of non-filing holders of Debentures to any distribution or participation in the Reorganized Company will be absolutely barred.

Upon the filing and allowance of the claim an Evidence of Allowed Claim will be issued to the named claimant who will be treated as the owner of the claim for purposes of notice, acceptance of any plan of reorganization or other modification of the rights represented by the claim and will receive any additional payments or distribution made in partial or complete satisfaction of the claim, unless notice of transfer or assignment of the claim is filed in these Court proceedings by delivery of the Evidence of Allowed Claim, properly endorsed, to The Liberty National Bank & Trust Company of Oklahoma City, Attention Corporate Trust Department, 100 North Broadway, Oklahoma City, Oklahoma 73102, U.S.A., as agent of the Trustee.

The claim previously filed on behalf of the Debenture holders by Finintrust S.A. protecting the Debenture holders' interest is not recognized for purposes of voting on any plan of reorganization proposed or distribution of payment or other partial or complete satisfaction of claims all in accordance with the United States Court proceedings. Debenture holders must now file their own claims in accordance with these instructions.

INSTRUCTIONS

1. Claims may be filed in the name of the actual and beneficial owner or owners of the Debentures covered thereby. If the actual and beneficial owner is not a natural person, the Court may require disclosure of the natural persons who will directly or indirectly benefit from allowance of the claim.

2. If the claim is filed on behalf of an undisclosed principal, it must have attached thereto an Assurance of Claim by Disinterested person in the form approved by the Court and executed by a bank or other commercial institution. Provided, however, that the Court specifically reserves jurisdiction to disallow any claim for good cause shown.

3. The claim must be completed in full, in English, and have attached to it the original Debenture upon which the claim is based, except that if such Debentures are on deposit with a third party custodian, there may be attached to the Proof of Claim form, in lieu of the Debenture, a copy of instructions to the custodian directing delivery of the Debentures to The Liberty National Bank & Trust Company of Oklahoma City. Provided further, that no claim will be considered for voting or distribution purposes until the Debenture has been physically received by the Liberty National Bank & Trust Company of Oklahoma City, acting as trustee's agent.

4. At the option of the claimant, claims may be forwarded for filing by delivering the same to any banking institution for transmittal to The Liberty National Bank & Trust Company of Oklahoma City, Attention: Corporate Trust Department, 100 North Broadway, Oklahoma City, Oklahoma 73102, U.S.A., or mailed directly to the said Bank at any time prior to 12.00 midnight, local time, November 15, 1971. But such claims will not be considered for the purpose of voting on any proposed plan unless received by The Liberty National Bank & Trust Company at least thirty (30) days prior to the date of approval of such plan by the Court.

5. Claim forms may be obtained by writing to The Liberty National Bank & Trust Company of Oklahoma City, at the above address, or from any of the institutions listed below:

Kredietbank S.A. Luxembourgeoise	Luxembourg
Credit Commercial de France	Paris
Irving Trust Company	New York
Irving Trust Company	London
Kredietbank N.V.	Brussels
Nederlandsche Middenstandsbank N.V.	Amsterdam
Skandinaviska Banken	Stockholm
Westdeutsche Landesbank Girozentrale	Dusseldorf

All pursuant to order of the Court, dated at Oklahoma City, Oklahoma, United States of America, this 6th day of October, 1971.

JAMES R. TOLBERT, III, Trustee.

KRAMAT TIN DREDGING BERHAD
(Incorporated in Malaysia)

The Transfer Books will be CLOSED from 17th to 24th November, 1971, both dates inclusive.

REDERNES SKIBSKREDITFORENING

6% 1966/1980 Loan of Units of Account 6,500,000

We should like to inform bondholders that bonds for the amount of UA 710,000 have been drawn for redemption on October 20, 1971, in the presence of a Notary Public.

The bonds will be reimbursed cum coupon nr 13 on or after February 25, 1972 according to the terms on the back of the bonds.

The numbers of the bonds drawn are as follows:

(a) Bonds of UA 1,000
3041 to 3608 inclusive
(b) Bonds of UA 250
10116 to 10129 inclusive
10132 to 10164 inclusive
10172 and 10173
10177 to 10201 inclusive
10204 to 10283 inclusive
10206 to 10330 inclusive
10341 and 10342
10343 and 10346
10348 to 10432 inclusive
10437 to 10440 inclusive
10443 to 10500 inclusive
10503
18500
10509 to 10718 inclusive.

Amount outstanding: UA 5,560,000.
Luxembourg, October 20, 1971.
Trustee
KREDIETBANK
S.A. Luxembourgeoise.

TIGER OATS AND NATIONAL MILLING COMPANY LIMITED
(Incorporated in the Republic of South Africa)

DECLARATION OF DIVIDEND NO. 53 ON THE ORDINARY SHARES

Further to the Dividend Notice advertised in the press on the 23rd September, 1971, the conversion rate applicable to payments in United Kingdom currency in respect of the above-mentioned dividend is £1 = R1.70000 equivalent to 6.14503p per share.

The effective rate of South African Non-Resident Shareholders' Tax is 15%.

By Order of the Board
For and on behalf of
ANGLO AMERICAN CORPORATION OF SOUTH AFRICA, LIMITED.
London Secretaries.
E. BURROWS.

London Office:
40 Holborn Viaduct,
EC1P 1AJ.
Office of the U.K. transfer secretaries:
Charter Consolidated Limited
Kant House
Station Road,
Ashford Kent.
1st November 1971.

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Please address correspondence in guaranteed confidence to Mr. S. Goldman (Chairman),

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CONTRACTS AND TENDERS

GOVERNMENT OF HONG KONG

20 mgd Single-Purpose Desalting Plant Pre-qualification of Tenderers

The Hong Kong Government (hereinafter referred to as Government) intends to call tenders for the construction of a sea-water desalting plant producing 20 million imperial gallons of fresh water a day (20 mgd).

Pre-qualification for the following items is required:—

(a) multi-stage flash (msf) evaporators in unit sizes of not less than 5 mgd including auxiliary pumps, pipework and feed treatment plant (tenderers must have built commercial plants of not less than 1 mgd elsewhere);
(b) oil-fired boiler plant of about 230,000 to 500,000 lbs/hr rating for steam pressures of 350 to 650 psig complete with fuel burning and conditioning equipment, fans, piping and ductwork;
(c) pumps for handling sea water and brine in individual capacities from 10 to 50 mgd and heads up to 250 ft;
(d) vertical steam turbines ranging from 900 to 4,000 bhp;
(e) horizontal pass-out turbine generators up to 12 MWe rating to exhaust at 24 psig saturated from steam at 250 to 650 psig superheated;
(f) instruments and automatic controls suitable for the evaporator, boiler and other plant, and equipment for a central plant control room;
(g) plant (including evaporators, crystallisers, electrolytic cells and packaging equipment) for the manufacture of salt, chlorine, hydrogen, hydrochloric acid and caustic soda from the waste brine from the msf evaporators;
(h) plant for the manufacture of sulphuric acid from sulphur;
(i) electrical installation, including MV and LV switchgear and cables.

Tenders may be called for a combined contract for the evaporators and boilers. Other plant and services in the above list will be tendered for separately and may be incorporated in the evaporator/boiler main contract as nominated sub-contracts on mutually acceptable terms. Foundations and other civil engineering works will be carried out separately.

Erection at site, commissioning of the plant and the training of Government's operators for six to twelve months will be included.

Tenders will be accepted only from approved firms. Firms wishing to be considered for inclusion on the approved lists should apply to pre-qualify by supplying the information indicated below:—

(i) outline details of the type of plant and services to be offered;
(ii) details of experience in manufacturing and erecting similar plant elsewhere and evidence of its reliability in commercial operation;
(iii) evidence of ability to organise and co-ordinate activities of suppliers of bought-out equipment;
(iv) a statement of willingness to provide sureties for sums up to the contract value;
(v) the last published balance sheet(s) and statement(s) of accounts for the firms concerned;
(vi) a bank reference as to ability to finance work in progress on contracts of the size contemplated, assuming normal progress payments; contractor-finance, however, is not required;
(vii) such descriptive literature as may help in assessing the firms' general capabilities in their respective fields.

Intending tenderers should forward as soon as possible and preferably by 30th November 1971 the above information to the Director of Water Supplies, Murray Building, Garden Road, Hong Kong with copies to Binnie & Partners, Artillery House, Artillery Row, London, S.W.1, England.

Government reserves the right not to call tenders in any or all of the categories mentioned or to alter, amend or change their requirements without any obligation to firms applying whether eventually pre-qualified or not. Government shall not be bound to assign any reason for not pre-qualifying any applicant and will not defray any costs incurred by applicants.

Intending tenderers are not required to submit elaborate presentations or to visit Hong Kong or London but any firm applying may be required to attend meetings with, or be visited by, representatives of Government and Binnie & Partners before inclusion on the approved lists.

All submissions and correspondence must be in English.

This invitation is addressed solely to bona-fide plant suppliers.

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Enquiries, in the first instance, should be addressed to Box B.6279, Financial Times, 10, Cannon Street EC4P 4BY.

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with an excellent growth record of marketing products in the Garden, Camping or similar outside leisure activities through Garden Centres, Department Stores, Wholesalers and Retailers, seeks further quality products with a view to sole distribution rights in the U.K.—Write Box B.6291, Financial Times, 10, Cannon Street, EC4P 4BY.

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of British Patent No. 1035474 relating to central heating systems require expert legal advice from skilled patent Attorneys or other like interested parties in proposed action for patent infringements. Results could be extremely broad and far reaching. Remuneration by results. Write Box B.6287. Financial Times, 10, Cannon Street, EC4P 4BY.

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its specialisation by disposing of a section of its business making high precision instruments. Turnover in the region of £60,000 net £15,000. Plus approximately £6,000 on sales. Would suit company already involved in high precision grinding.—Write Box B.6268 Financial Times 10, Cannon Street, EC4P 4BY.

SMALL FINANCE COMPANY

wishes to dispose of current book debts. Gross value £33,000. Subject of agreements domestic appliances. Approximately 1,300 accounts. Offers invited. Inspections arranged by appointment. Write Box B.6266, Financial Times, 10, Cannon Street, EC4P 4BY.

SMALL PRIVATE COMPANY

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Wanted co-operation of small sheet metal/light fabrication company for manufacturing a new product. Sub contract work would be placed in exchange for 4 small assembly area and office. Would be of interest to company having spare capacity and space.—Write Box B.6282, Financial Times, 10, Cannon Street, EC4P 4BY.

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wishes to expand his activities by acquiring interest in business which could benefit from the injection of additional capital—Write Box B.6256, Financial Times 10 Cannon Street, EC4P 4BY.

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World Value of the Pound

The table below gives the latest available rates of exchange for the pound against various currencies on November 1, 1971. In view of the unsettled state of the foreign exchange market, rates for some currencies are not given. In some cases rates are nominal. Market rates are the average of buying and selling rates except where they are shown to be selling rates only. In some cases market rates have been calculated from the market rates of foreign currencies to which they are tied.

Exchanges in the U.K. and most countries listed are officially controlled ... rates shown should not be taken as applicable to any particular transaction ... out reference to an authorised dealer.

Abbreviations: (S) member of the ... area; (O) official rate; (F) free rate; ... tourist rate; (n/c) non-commercial rate; ... not available; (A) approximate rate, no ... quotation available; (sg) selling rate ... import-export rate.

Place and Local Unit(s)		Value of £ Sterling
Afars & Issas	Djibouti Franc	325(sg.)
Afghanistan	Afghani	210¼
Albania	Lek	12(O) 50(T)
Algeria	Dinar	12.16(sg)
Andorra	French Franc	13.78
	Spanish Peseta	170.85
Angola	Ang. Escudo	68.45
Antigua (S)	E. Caribbean $	4.81
Argentina	Ar. Peso	12.45♣
Australia (S)	Australian $	2.1471½
Austria	Schilling	59.27½
Azores	Portug. Escudo	68.45
Bahamas (S)	Ba. Dollar	2.49 3/16
Bahrain (S)	Dinar	1.1445
Balearic Is.	Spa. Peseta	170.85
Barbados (S)	E. Caribbean $	4.80
Belgium	B. Franc	116.02½
Bermuda (S)	Bda. $ ♯	2.4
Bhutan	Indian Rupee	5.55½
Bolivia	Bolivian Peso	28.45
Botswana (S)	S.A. Rand	1.7778
Brazil	Cruzeiro	13.08
Br. Hond's (S)	Br. Hdrs. $	4.0
Br. Solomon Is. (S)	Australian $	2.1471½
Br. Virgin Is. (S)	U.S. $	2.49 3/16
●●Brunei (S)	Brunei $	7.5788
Bulgaria	Lev	2.81(O) 4.8(T)
Burma	Kyat	0.75♣♣
Burundi	Burundi Franc	204.49(O) 260(F)
Cambodia	Riel	136.66
Cameroun Rp.	C.F.A. Franc	689
Canada	Canadian $	2.50½
Canary Is.	Spanish Peseta	170.85
Cape Verde Is.	Cape V. Escudo	68.45
Cent. Af. Rp.	C.F.A. Franc	689
Ceylon	Ceylon Rupee	15.25◆◆
Chad	C.F.A. Franc	689
Chile	C. Escudo	(Ofc.) n.a. 180.29(F)
China	Yuan	5.806
Colombia	C. Peso	50.25(F)ф
Comoro Isl'ds	C.F.A. Franc	689
Congo (B'ville)	C.F.A. Franc	689
Congo (Kinsha)	Zaire	1.2468
Costa Rica	Colon	n.a.
Cuba	Cuban Peso	2.49 3/16
Cyprus (S)	Cyprus £	1.0
Czechoslov'kia	Koruna	17.25(O)† 38.746(T)
Dahomey	C.F.A. Franc	689
Denmark	Danish Krone	18.085⅝
Dominica (S)	E. Caribbean $	4.80
Domin. Rep.	Dominican Peso	2.49 3/16
Ecuador	Sucre	(O) n.a. (60)(F)
Egypt	Egyptian £	n.a.
Ethiopia	Ethiopian $	6.30(sg.)
Eq'l Guinea	Peseta	170.85
Falkland Is. (S)	Falkland Is. £	1.0
Faroe Is.	Danish Krone	18.08⅝
Fiji Is. (S)	Fiji $	2.095¼
Finland	Markka	10.35½
Formosa	New Taiwan $	n.a.
France	French Franc	13.78
Fr. C'ty in Af.♦	C.F.A. Franc	689
Fr. Guiana	Local Franc	13.78
Fr. Pac. Is.	C.F.P. Franc	250.54
Gabon	C.F.A. Franc	689
Gambia (S)	Dalasi Δ	5.0
Germany (East)	Ostmark	10
Germany (West)	Deutschemark	8.30¾
Ghana (S)	Cedi	2.45
Gibraltar (S)	Gibraltar £	1.0
Gilbert & Ellice Is. (S)	Aust. Dollar	2.1471½

Place and Local Unit(s)		Value of £ Sterling
Greece	Drachma	74.52
Greenland	Danish Krone	18.085⅝
Grenada (S)	E. Caribbean $	4.80
Guadaloupe	Local Franc	13.78
Guam	U.S. $	2.49 3/16
Guatemala	Quetzal	2.49 3/16
Guinea	Guinea Franc	n.a.
Guyana	Guyanan $	4.80
Haiti	Gourde	12.45
Honduras Rep.	Lempira	4.981
Hong Kong (S)	H.K.$	14.672♥♥
Hungary	Forint	28.16(O) 72(T)
Iceland (S)	I. Krona	216.85(A)
India (S)	Ind. Rupee	5.35⅞¢
Indonesia	Rupiah	1,033.1
Iran	Rial	189½
Iraq	Iraq Dinar	0.858
Irish Rep. (S)	Irish £	1.00
Israel	Israel £	10.41
Italy	Lira	1,515¼
Ivory Coast	C.F.A. Franc	689
Jamaica (S)	Jamaica Dollar	2.0
Japan	Yen	819½
Jordan (S)	Jda. Dinar	0.857
Kenya (S)	Kya Shilling	17.8281
Korea (Nth)	Won	5.17
Korea (Sth)	Won	825.55
Kuwait (S)	Kuwait Dinar	0.85716
Laos	Kip	n.a.
Lebanon	Lebanese £	7.87
Lesotho (S)	S. Afr. Rand	1.7778
Liberia	Liberian $	2.49 3/16
Libya (S)	Libyan dinar	0.849
Liecht'nst'n	Swiss Franc	9.957
Luxembourg	Lux. Franc	116.02½
Macao	Pataca	n.a.
Madeira	Portug'se escudo	68.45
Malagasy Rp.	Mlg. Franc	689
Malawi (S)	Kwacha	2.0
●●Malaysia (S)	Malaysian $	7.5787
Maldive Is. (S)	Mal. Rupee	n.a.
Mali Rp.	Mali Franc	1,378
Malta (S)	Maltese £	0.9756
Martinique	Local Franc	13.78
Mauritania	C.F.A. Franc	689
Mauritius (S)	Maur. Rupee	13.88
Mexico	Mexican Peso	31.075
Miquelon	C.F.A. Franc	689
Monaco	French Franc	13.78
Mongolia	Tugrik	5.68(O) 14.40(T)
Montserrat (S)	E. Caribbean	4.80
Morocco	Dirham	12.48(sg.)
Mozambique	Moz. Escudo	68.45
Nauru Is.	Aust. Dollar	2.1471½
Nepal	Nepalese Rupee	n.a.
Netherlands	Guilder	8.343¾
Neth. Ant'les	Antillian Guild.	[illegible]
New Guinea	Aust. Dollar	2.1471½
New Hebrides	Franc	222.71
	Aust. Dollar	2.1471½
N. Zealand (S)	N.Z. Dollar	2.1429½
Nicaragua	Cordoba	17.45
Niger Rp.	C.F.A. Franc	689
Nigeria (S)	Nigerian £	0.85712
Norway	Norw. Krone	17.08¼
Sultanate of Oman (S)	Rial Saidi	1
Pakistan (S)	Pkn. Rupee	8.50♥
Panama	Balboa	2.49 3/16
Panama Canal Zone	U.S. $	2.49 3/16
Papua (S)	Aust. Dollar	2.1471½

Place and Local Unit(s)		Value of £ Sterling
Paraguay	Guarani	[illegible]
People's Dem. Rep. of Yemen	S. Yemen Dinar	[illegible]
Peru	Sol	[illegible]
Philippines	Ph. Peso	[illegible]
Pitcairn Is. (S)	£ Sterling	[illegible]
	New Zealand $	[illegible]
Poland	Zloty	[illegible] ΔΔ
Portugal	Pgse. Escudo	[illegible]
Port. Guinea	Guinea Escudo	[illegible]
Port. Timor	Timor Escudo	[illegible]
Principe Is.	Guinea Escudo	[illegible]
Puerto Rico	U.S. $	[illegible]
Qatar (S)	Q. Dubai Ryal	[illegible]
Reunion Ile de la	C.F.A. Franc	[illegible]
Rhodesia	Pound●●	[illegible]
Romania	Leu	[illegible]
Rwanda	Rwanda Franc	[illegible]
St. Christopher (S)	E. Caribbean $	[illegible]
St. Helena (S)	£ Sterling	[illegible]
St. Lucia (S)	E. Caribbean $	[illegible]
St. Pierre	C.F.A. Franc	[illegible]
St. Vincent (S)	E. Caribbean $	[illegible]
Salvador El	Colon	[illegible]
Samoa Am.	U.S. $	[illegible]
San Marino	Italian Lire	[illegible]
Sao Tome	Guinea Escudo	[illegible]
Saudi Arabia	Ryal	[illegible]
Senegal	C.F.A. Franc	[illegible]
Seychelles (S)	S. Rupee	[illegible]
Sierra Leone (S)	Leone	[illegible]
●●Singapore (S)	Singapore $	[illegible]
Somali Rep.	Som. Shilling	[illegible]
Sth. Africa (S)	Rand	[illegible]
S. W. Africa Territories (S)	S.A. Rand	[illegible]
Spain	Peseta	[illegible]
Span. Ports in North Africa	Peseta	[illegible]
Sudan Rp.	Sudan £	[illegible]
Surinam	S. Guilder	[illegible]
Swaziland (S)	S. A. Rand	[illegible]
Sweden	S. Krona	[illegible]
Switzerland	Swiss Franc	[illegible]
Syria	Syria £	[illegible]
Tanzania (S)	Tan. Shilling	[illegible]
Thailand	Baht	[illegible]
Tibet	Yuan	[illegible]
	Indian Rupee	[illegible]
Togo Rp.	C.F.A. Franc	[illegible]
Tonga Is. (S)	Pa'anga	[illegible]
Trinidad (S)	Trin. & Tobago	[illegible]
Trucial Sh'ks (S)		[illegible]
Tunisia	Tunisian Dinar	[illegible]
Turkey	Turkish Lira	35.9[illegible]
Uganda (S)	Ug. Shilling	[illegible]
Utd. States	U.S. Dollar	[illegible]
Uruguay	Uruguay Peso	[illegible]
U.S.S.R.	Rouble	[illegible]
Upper Volta	C.F.A. Franc	[illegible]
Vatican	Italian Lira	[illegible]
Venezuela	Bolivar	[illegible]
Vietnam (Nth)	Dong	[illegible]
Vietnam (Sth)	Piastre	[illegible]
Virgin Is. U.S.	U.S. Dollar	[illegible]
Voltaic Rp.	C.F.A. Franc	[illegible]
Western Samoan (S)	Samoan Thaler	[illegible]
Yemen	Ryal	[illegible]
Yugoslavia	New Y. Dinar	[illegible]
Zambia (S)	Kwacha	1.7[illegible]

♦ That part of the French community in Africa formerly part of French West Africa or French Equatorial Africa.
♠ Government Tax of 8.2 per cent. London note rate 17-18.
‖ Of the Trucial Sheikdoms. Abu Dhabi has adopted the Bahrain dinar. Dubai, Ras al Kaimah and Sharjah have introduced the Qatar Dubai ryal as have the other Trucial States. Ajman, Fujairah and Umm al Qawain.
♦♦ Malaysia and Singapore and Brunei on June 12, 1967, issued their own currencies, which for the time being will be freely interchangeable.
□ Rate of oil and iron ore exports not available.
ф Rate of most transactions including exports, imports and non-trade transactions previously covered by the certificate rate; exceptions are preferential rates for oil exports and crude oil imports which are not currently available.
♣ The rate given is the commercial rate, reported to apply to Argentine exports. The financial rate, applying to other transactions was 16.37½ in the Argentine on September 30 and 16.97½ on Friday. London note rate 18-20.
• The Kwacha (equal to 100 Ngwee) was introduced on January 16, 1968. The Zambian pound remains legal tender until further notice.
◆◆ Rupees per pound. Tourists visiting Ceylon receive a premium of 55 per cent.
♥ Pounds per 100 rupees. The quotation is given in this form in line with the revised market practice. Tourists receive a 15 per cent. bonus on foreign c... surrendered to banks to Pakistan.
ΔΔ There is a special tourist rate of 40 zlotys to the ... on exchange beyond a certain amount.
♥♥ Hong Kong dollar to £1 sterling.
♯ Bermuda has introduced a decimal currency, ba... the Bda dollar.
●● A decimal currency, the dollar, equal to 10 Rh... shillings was introduced by the independent regi... February 17, 1970. The RH pound has a pa... $US2.80. The parity of the RH dollar is $US1.40.
§ A new currency, the Rial Saidi, at gold parity w... pound, has replaced the Gulf Rupee.
¶¶ Dealings have been suspended since August 18 ... when the sucre was devalued from 18 to 25 to o... dollar.
● Decimalised currency, based on the Kwacha (w... old shillings) was introduced on February 15.
† Rate for gifts to Czechoslovakia 34.44.
Δ A decimal currency, the Dalasi (equal to 100 Butu... been introduced at a rate of 5 to Gambia £1.
‡ Rough rate, not necessarily up to date.
♣♣ £'s per 100 kyats.
†† Based on London inter-bank dealings. Transaction... be possible through Bank of Portugal at different ...
¢ Pounds per 100 rupees.
§§ Tourists may change up to $10 a day at tourist r...
фф Approximate market rate.

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PLAYER'S HORIZON PROJECT

FINANCIAL TIMES SURVEY

A superb industrial building

By H. A. N. BROCKMAN, Architecture Correspondent

The Nottingham factory for ohn Player and Sons, erected n 27 months and a credit to all oncerned, is a superb piece f industrial architecture. It ossesses a classic simplicity and roportion seldom arrived at in he industrial buildings of to-ay. The reason for this is the isarmingly simple statement of he plan, the essential spatial nd climatic requirements of he interior, and the firmness nd clarity with which all these actors are expressed on the levations.

A comprehensive brief was orked out between the archi-ects, Arup Associates, and the lient. In addition to the equirements common to all ew factory buildings, such as good working environment, exibility and adaptability in oping with future develop-ents in manufacture, there vere the important problems ssociated with high noise evels, very heavy floor loadings, pecial air conditions, accessi-ility of services, and minimum aintenance. In the latter case articular care had to be taken o use surface materials which ould eliminate mould growth nd resist contamination from obacco beetle.

Initial problems

The 30-acre site is within the enton Industrial Estate, beside e Beeston Canal and abutting ull Close Road. It is flat and t the initial problem of build-ng on up to 20 feet of tipped efuse, comprising such un-able material as building ubbish, old cars, bedsteads, and e like. Much of this material as in fact organic, creating ases and in some parts leading internal combustion. To ach a firm base piling was ndertaken to a depth of 30 et; sulphate-resisting Portland ment being used for the piles d high-grade concrete for her foundation work in order resist chemical aggression.

In designing the superstruc-ure it was decided to seek a neral planning solution to satisfy immediate specific needs and to provide at the same time for future and relatively unknown requirements. A single unit was therefore worked out to incorporate basic disciplines for the whole factory. This unit, square on plan, was repeated to complete the final factory complex which is designed in three storeys.

Columns are spaced at a distance of 30 metres in both directions, with floor-to-ceiling beights of 6.5 metres minimum. The principal accommodation is arranged above and below a deep "services void," primarily for the use of machine servicing to the main production floor above. A second services void is provided at roof level containing the building services, which include air handling units and ductwork, sprinkler and lighting services. Thus, the main entrance floor, the ground storey, contains the power house, primary and despatch departments and a ground-floor-level park for 400 cars within the building. The first storey is wholly taken up by the services void with the production floor above it in the second storey. Over all is the deep roof void over 6 metres in height containing the building services.

All services and energy within the building are powered by a single fuel. This total energy concept also includes, as a prime function, the recovery of waste-heat wherever possible as a means of improving the operating economy of an overall system, providing energy at the lowest possible cost. The fuel used is natural gas. The factory is wholly air-conditioned, the major proportion of the air-conditioning load consisting of heat from manufacturing machines, which is not amenable to localised cooling, from steam injection processes and from drying equipment and lighting. Essential to this air-conditioning process is the close control which has to be kept over relative humidity due to the critical moisture content of tobacco. Exhaustive studies were made of the most economic plant available to produce the necessary electrical energy for lighting, production, air-conditioning and refrigeration, and steam for process, heating and hot water.

As a result it was decided to instal pairs of one megawatt gas turbine generator sets, each pair of exhausts being connected to a common waste-heat recovery boiler. It is estimated that, taking into account the terminal value for the equipment, the capital value should be regained within 8 to 10 years.

With the structural columns of the whole building complex spaced at 30 metres in each direction, the factory units are therefore square on plan, divided vertically into four horizontal zones comprising ground floor, services, production floor and roof. Each of the columns is designed as a cluster of four stems, with space for service ducts running through the centre. The value of this unusual design means that a structural beam can rest on any one of the stems and that where the columns occur on the exterior of the building the disengaged heads can form a ready made support for any future extension. The square unit of 30 metres is repeated as a structural unit 36 times, to form a square building with sides 180 metres long and covering an area of over 3 hectares equivalent to some 8 acres.

DESIGN AND CONSTRUCTION

Architects and Engineers	Arup Associates
Managing Contractor	Bovis Fee Construction
Electrical and Mechanical Services, Sub-contractor	Drake and Scull

Modular approach

Detailed planning is determined by production flow and machine lay-out requirements which, the designers found, amply demonstrated the worth of the modular approach. There are two categories in the amenity areas, each given great importance for the two-shift working of this factory. There is first of all the relaxation, lavatory and washing accommodation serving the production floors, and secondly the central areas including shops, restaurant and kitchen, offices, visitors' reception and conference room, medical centre, central locker and wash and shower rooms. Space for games, club-room and bars has also been calculated for allocation in future development.

The production floor amenity areas are structured as a series of large movable units which can not only be used singly or joined together, but can also be demounted and re-erected elsewhere if required, as they contain their own built-in plumbing, drainage and ducts, which can be grouped together within a false floor and connected through to the service mains in the service void.

The amenity areas are positioned in relation to a number of factors. In the first place all employees use the same entrance, sited on the west side of the building, as the walking distance from the entrance to the production floor and thence to the restaurant must be kept to a minimum. It is also necessary for the amenity areas to take advantage of the best views the site has to offer, and these, fortunately, are to the south and south-west.

Traffic-flows in and around the site are separated into services and domestic routes with access from Bull Close Road and Thane Road respectively. Car parking is a major problem, solved with great success. It is considered that space for 1,000 will be needed by 1975, with an ultimate 1,250 in 1990. The provision is limited for the moment to 1,000, representing the total requirement for two shifts. Apart from the half-hour change-over interval, therefore, only 500 spaces will be in use. The present plan allows for 400 under the building and 600 outside to the west.

Landscaping threw up considerable problems. Because of the polluted nature of the ground and the sparseness and poor quality of top soil, the planting of forest trees was not a practicable proposition. The choice became limited to

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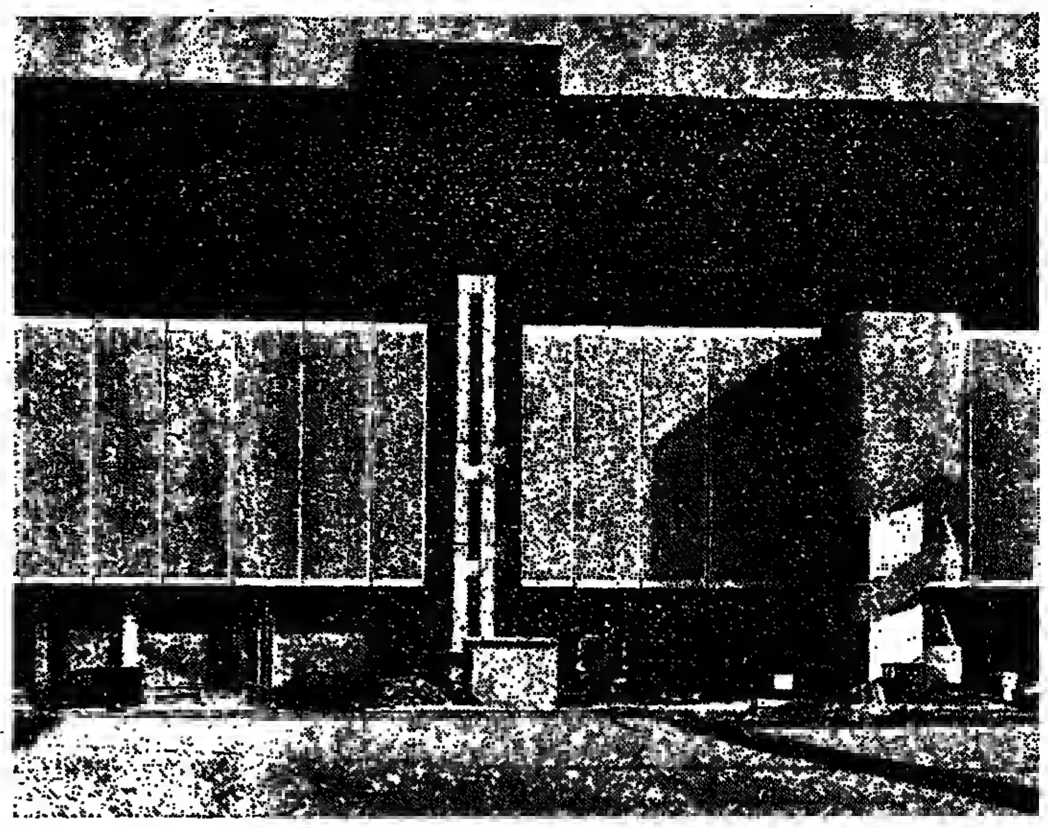
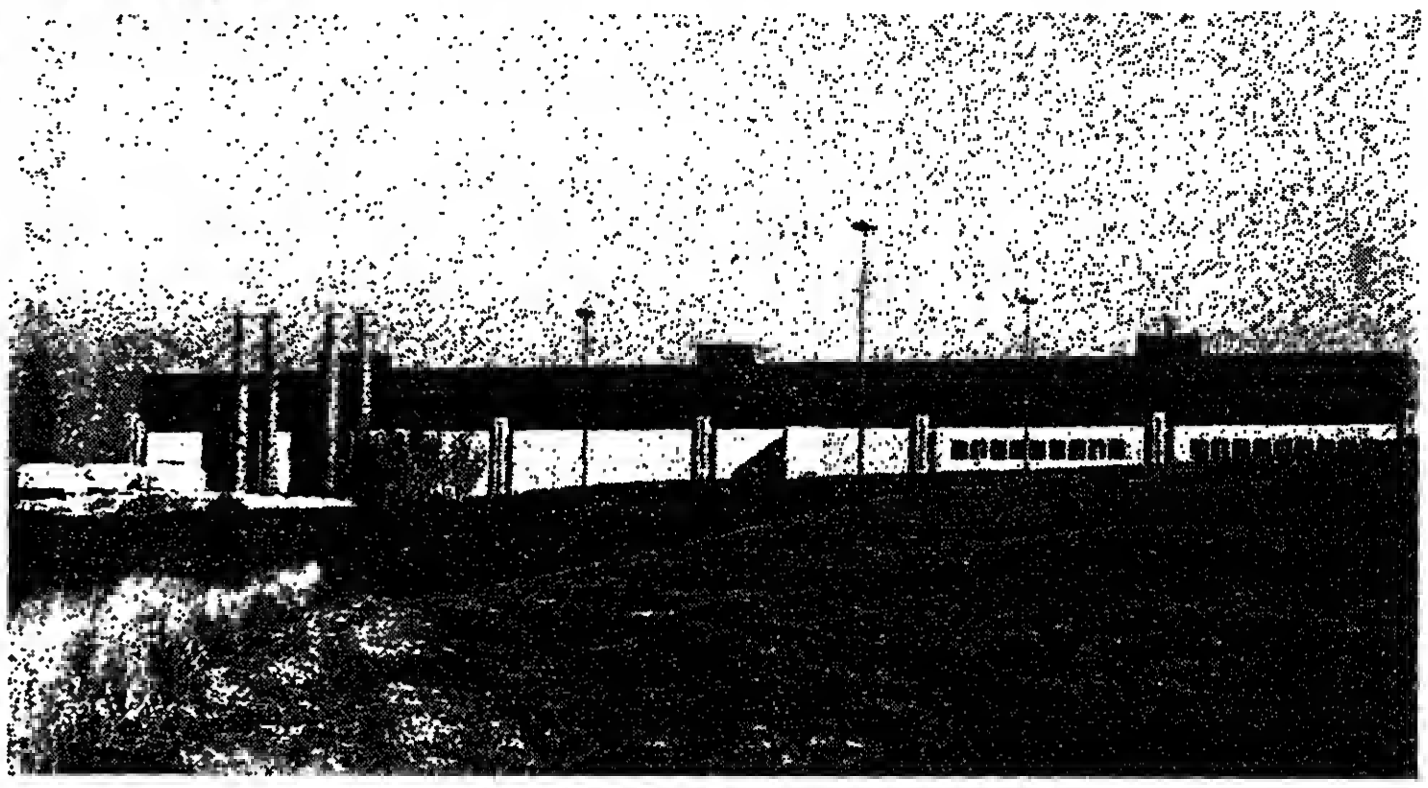


Above, an external centre view between two 30-metre-wide structural units, showing the panel-facing of two units, the clustered column structural division rising within the glazed area to support the deep service void in the crowning roof structure. Below, the west elevation from the Beeston canal bank. To the left the stacks of the power house, to the right the windows of the office and amenity section. Working downwards, the colours are bronze through off-white to grass-green.



HORIZON PROJECT II

Despite diversification a £15m. investment in new plant

By ROGER MATTHEWS

It is possible to frighten some of Britain's cigarette smokers some of the time, but impossible to frighten all of them all the time. This is the inescapable conclusion to be drawn just 10 months after the toughest warning yet issued on the perils to health of cigarette smoking. Following the Royal College of Physicians' damning report on smoking and health in January, cigarette sales dropped by over 10 per cent. By the end of April there were clear signs of a rally and to-day it is thought that sales in some parts of the country are back to pre-report levels, while overall they may be just one or two per cent. below the figure at the end of 1970.

This repeats fairly closely the pattern following the 1962 health report, when sales initially dropped by about 15 per cent. but within eight months were back to only 2 per cent. below their previous level. This year the report has been followed by a more determined anti-smoking campaign with cigarette packets now carrying health warnings and advertisements for cigarettes drawing attention to these warnings. The cigarette companies' marketing men seem singularly unruffled and are confident that in a fairly short time the warning notices will become as unobtrusive as the makers' name on an individual cigarette.

Similarly the anti-smoking advertising campaign with its relatively puny budget is generally recognised as doing little more than scratching the surface and perhaps helping those people who gave up smoking in January to maintain their resolve. It seems that the British public will have to be persuaded by some more forceful means that smoking is harmful.

Increase unlikely

However the anti-smoking lobby together with the limitations on cigarette advertising and the general public awareness of the dangers of smoking, does suggest that the sales of tobacco products are unlikely to increase substantially during this decade and may even have reached saturation point. It is this belief which is in part responsible for substantial diversification efforts by the major tobacco companies. Imperial Tobacco, for example, has spent around £100m. in the past four years, mainly on establishing itself as a major force in the food industry. British American Tobacco has spent more than that on perfume and cosmetics interests plus the Wiggins Teape paper company.

It is therefore ironic that while the tobacco companies have been trying to break away from their reliance on the one product, their profits from that source should have risen impressively. At the same time their diversification efforts have not, with some exceptions, been noted for their success. Carreras, the smallest of the British tobacco companies, is the only one which has stuck solely to tobacco. In the last five years its profits have risen by around 70 per cent., and although it can be argued that there are special factors at work here, it is undeniable that these figures do underline the profitability of tobacco. It is against this general background that the decision by Imps.' subsidiary John Player and Sons, to spend about £15m. on building and equipping a new factory at Nottingham must be seen.

Real key

The new plant was first mooted about seven years ago and the decision to build was prompted by the growing difficulties encountered at Player's three existing Nottingham factories. Technological improvements were limited by the design of these plants and those that have been introduced always had to be done in triplicate. With the likely advent of synthetic or reconstituted tobacco these problems would increase. Given the profitability of the tobacco industry the decision to build anew was not unduly hampered by financial considerations.

But the real key to the decision was the co-operation of the workers and Players has gone to great lengths to achieve this. In order to be commercially feasible the new plant, code-named Horizon, had to operate a double-day shift. For the staff it meant a radical change in working practices, a proposition that they greeted, in the words of the management, "with guarded hostility." But they have agreed and were given the chance of voting for the type of shift system that they most favoured. At the outset the unions were assured that there would be no redundancies although the present production workforce at Nottingham of about 3,000 full-time and 1,000 part-time will be slimmed at Horizon to about 1,500 per shift with a further eventual reduction anticipated to not fewer than 1,000 per shift. This is being achieved by natural wastage, a flexible retirement policy which allows workers to opt to go at 60 instead of 65, and the chance of still earlier retirement, although this last option is being used sparingly because of the possible strains on the company's pension fund. An unspecified number of workers have already left under these proposals.

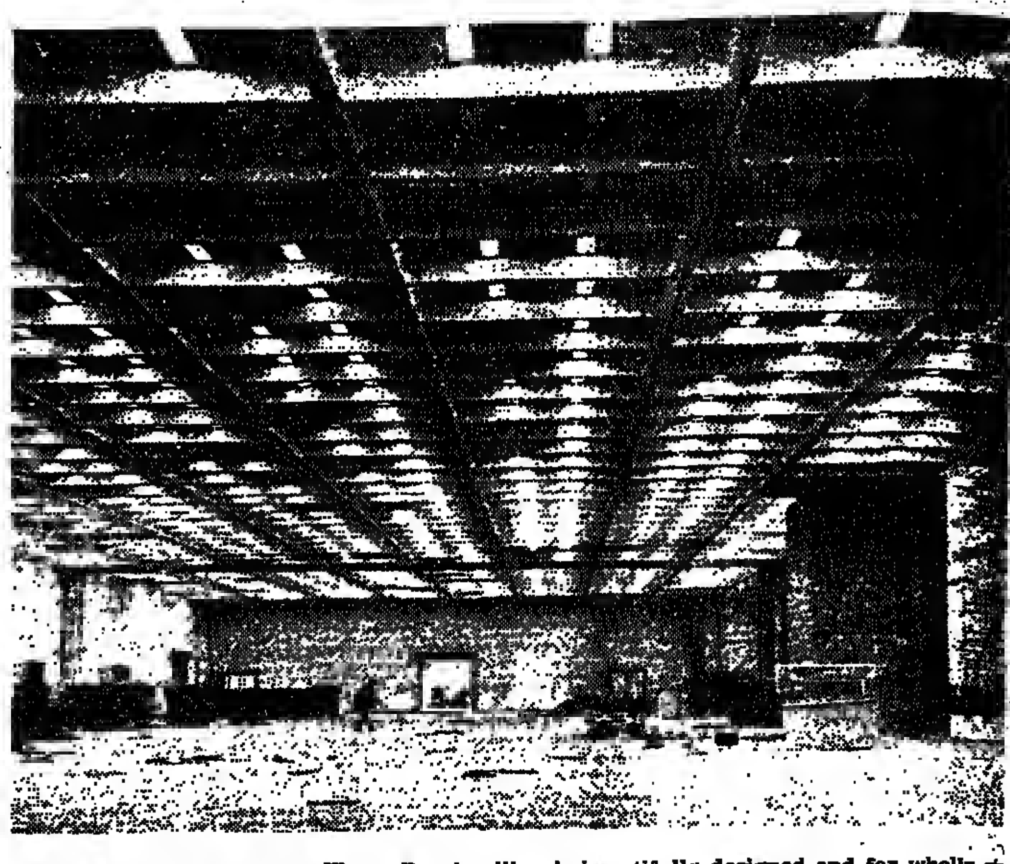
The company also had to decide where to build. Development areas had undoubted financial attractions, but that meant training a substantially new labour force. Perhaps the hint of a move was enough anyway to ensure that the Nottingham Corporation would do everything in its power to ensure that a suitable site was found in the Nottingham area. A site was found just 10 minutes drive from the existing factories.

Players then faced its greatest problem; the lack of experience in building new plant. Necessarily the company was well equipped to formulate plans for the manufacturing side of Horizon; it was the planning and building of it where they felt rather vulnerable. The first and crucial step was to find a firm of architects in which it could have complete confidence and with whom a close working relationship could be established. Aided by Professor Ling from the architecture department of Nottingham University and the Royal Institute of British Architects, the choice eventually fell on Arup Associates. Once they had completed a feasibility study Bovis was brought in as the managing contractor to work in conjunction with the architects and to be responsible for putting out all the sub-contracting work to competitive tender.

Worked well

This arrangement seems to have worked well, as the date set for the handover of the factory to Players was achieved on November 1, the target date. At the start of the project Players brought together a number of key members of staff to form the Horizon Group. It was their task to decide the form of the new factory and so as to ensure that they enjoyed or suffered the results of their decisions most of the team was under 40. Similar groups have been set up on a consultative basis to advise on particular aspects of the factory such as canteen facilities, colour schemes and furnishings. What with presentations, films, visits to the new factory, and a very real say in some of the peripheral but nonetheless vital aspects of Horizon the man and woman on the shop floor at Players has been given a very real opportunity to feel involved in the project. Certainly there cannot be that many employers who provide a bank, shops, and a resident doctor and dentist in their factories.

Flexibility had to be another vital ingredient of Horizon. With the chief remaining obstacles to full scale production of synthetic tobacco being concerned with legal and medical issues, which could be resolved before too long, then the new factory had obviously to be prepared to adapt its production methods. Imperial Development, the joint company set up by ICI (two-thirds) and Imps to launch synthetic tobacco is believed to be technically ready to translate the experiments at the ICI Nobel Division in Scotland into full-scale production.



The vast production floor. The coffered ceiling is beautifully designed and for wholly sh tural reasons is given a slight lift towards the centre, visually satisfying in its Greek content of the imperceptible curve on the base of the Parthenon.

This is not to suggest that shortly British smokers will all be switching to the new "tobacco." There are a mass of imponderables still; will synthetic or reconstituted tobacco be any safer medically? What will be the attitude of the Customs and Excise? And if we join the EEC will duty be applied on the finished product instead of at present when the raw material is withdrawn from bond? And finally, and probably most vitally, will anybody actually want to smoke these new cigarettes? Answers are needed to most, if not all, these questions before the manufacturers take the plunge. But if the answers prove satisfactory then Horizon is likely to be able to meet the demand.

Coming on stream

Actual production at Horizon is not scheduled to begin until late February or early March, and the new plant will not be fully on stream until September, 1973. When fully commissioned the factory, which has a production area of 10 acres, should be producing a little less than the 150m. cigarettes a day presently manufactured at the three Nottingham factories. There will not in fact be any decrease in Players' overall production as the company's Stirling factory is due to have completed its expansion programme in March next year.

Originally, the building of Horizon was expected to cost about £6m. The final bill will be much nearer £8m. At the time the budget for the project was drawn up an allowance was made for an extra sum to be set aside on top of the £6m. to allow for rising costs. This, together with various fees such as the architects, the total energy plant and an extra cost-inflation of £300,000 gives the near £8m. total. A further £7m. is being spent on equipment for the factory. Although the Players' management claims to have been very cost-conscious throughout and has in fact only incurred expenditure of an extra £300,000 there is no doubt that the company has not stinted cash when it felt that only the best was sufficient. Although, of course, there have been compromises between what was wanted and what was possible it seems unlikely that there were any major compromises on cost grounds alone.

So far the project appears to have gone with remarkable smoothness. Asked about the worst problems so far encountered a senior executive seemed temporarily stumped for an answer until he remembered that plans to plant trees around the new factory had been abandoned because of the methane gas given off by the rubbish tip on which Horizon has been built. And so proud is the company of its new factory that the name of John Player may well not be emblazoned across the outside. "After all," said the same executive, "St. Paul's doesn't have its name written across the building."

A superb building—*(Cont'd.)*

Continued from previous page shrubs, grasses and earth formation. The external car parking area is slightly below the level of the canal embankment and by this means, together with building up of the earth embankment itself, the cars are screened from view points in the new office building for Boots the Chemists, not far away. The pleasant country to the south offers the best in the view from the John Player building and the aim is to bring the edge of this close in to the site by a broad treatment now in process of maturing.

One valuable asset is to be found in the cutting containing the canal. Over the years much growth has matured on its banks and it is now possible to find a grassy bank still within the factory site from which no hint can be gleaned that this is the centre of an industrial estate.

Elevation treatment

The all-important elevational treatment is highly successful and fully justifies the aim of the architects, who wrote at the outset of the project: "The functional elements of the building, combined with the problems of external cladding should be exploited and developed into a satisfactory elevation which reveals the nature of the animal it clothes."

The main external wall cladding consists of close-jointed vertically ribbed panels, the bold texture being obtained by random chipping of the ribs. Each group of panels covers the 30 metre side of a factory unit, the clustered columns marking the structural limit of the square between each panel group. The columns are of grey bush-hammered concrete and firmly articulate their function by rising to support the roof clear of the cladding panels on each side of them. A band of bronze coloured glazing, 2 metres deep, runs above and down each end of the panel groups, thus emphasising the separations of cladding and support.

Below the cladding panels are the wide openings to car parks and shuttered openings to the despatch area. Above the panels and the glass band is the deep roof structure, faced with bronze tinted fibre glass panels with the triangulated steel roof structure exposed. At intervals along the sides of the building are the escape staircases which are set proud of the wall face and enclosed with concrete treated in the same manner as the cladding panels. Above the main entrance on the west side of the building and continuing round on to the south side the panels are pierced to form the window openings of the two-storey amenities area and offices.

Integrated design

The impact of this building as seen from the south and west is two-fold. It combines both colour and form in a striking and unified composition. The embanked earth surroundings provide a brilliant green grass carpeted foreground, rising to mask the ground storey ranges of car parks and other openings and allowing the main structure to speak for itself above this green base. The green of the grass banks is sharply contrasted with the off-white colour of the concrete panels and stair towers. The columns stand sentinel between them as dark grey clusters and the bronze ribbon of glass, lit from the vast factory floors behind, *runs* below the denser bronze of the deep roof which covers the entire building. I have not seen every example of industrial architecture of the last ten years, but with that reservation I can say that I certainly have seen none more wholly integrated than this.

HORIZON PROJECT III

A convenient energy system which saves money

BY ANDY McELROY

IF industry as a whole were presented with one single form of philosopher's stone, it would be a device for giving cheap, convenient reliable energy to run factories.

Shortly after the 1939-45 war the more respectable prophets were predicting a golden age fuelled at almost no cost by atomic reactors, opening the way to drastically reduced production costs, lower product prices and a vastly improved standard of living for every citizen. Give or take a quarter of a century, and industry is still waiting.

What can an industrialist do if he wants to keep his fuel costs within reasonable limits? Under normal circumstances all factories are tied to electricity generating stations run by the Central Electricity Generating Board by the umbilical cord of power transmission lines. Unfortunately, the power from this source is comparatively expensive and, by tha nature of modern society, or so it seems, becomes ever more costly.

Central generation of power produces great economies of scale, but this is substantially counterweighted by the cost of transmission over large distances. So much so that a number of companies use their own generating stations, but this is only economic when the demand is large and fairly constant.

For certain types of production unit, however, there is an alternative that scores on the grounds of both economy and convenience, and is displayed at its best in the John Player Horizon factory. This is total energy, a term loosely used to describe the derivation of the different forms of power—thermal and electrical—needed to operate a plant from a single fuel source. Put simply, the main advantages of such a system is that the output is always within tha control of tha user, who also derives the benefits of discounts on large quantities of a single type of fuel.

There is a popular misconception, fostered to some extent by journalists, that total energy is a new concept, but this is far from the truth. As an idea it goes back to the 1930s, and possibly even before then. Profitable applications of it go back to the early 1950s, so that there is plenty of practical experience to demonstrate its advantages.

Equal footing

Principally, these applications have been overseas, where a cheap, reliable and suitable fuel has been available. Until recently, Britain depended on imports for all its fuel except coal, which is unsuitable for small, commercially available prime movers in its raw state. Recently, however, tha availability of natural gas from the North Sea has put British industrialists on an equal footing with their counterparts in Europe and North America in this respect.

Player's new installation is a classic example of the potential of total energy. It uses a bank of eight Ruston TA 1500 gas turbines, each developing 1,450 b.h.p., as the prime movers. These units are merely updated versions of Ruston's well-established and proven units, noted for their extreme reliability in similar applications. These units are well known for their ability to operate for between 25,000 and 30,000 hours between major inspections, and maintenance costs are very small compered with reciprocating engines of similar capacity. Ruston has installed over 60 similar units, running on either distillate fuels or gas, and so has unrivalled experience in modifying the units for particular applications.

In the Player application, the customer signed an agreement with the East Midlands Gas Board for an interruptible gas supply. This means that for specified periods the Board has the right to cut off supplies. This is advantageous to both parties. At times of peak domestic demand the Board can divert the supply, and thus saves the otherwise enormous cost of supplying distribution equipment needed to deal with infrequent peaks. As a consequence of this saving, the Board is able to offer Player gas supplies on very favourable terms, which saving allows the company to cover the costs of supplying an alternative fuel during these off periods.

Ruston's turbines ere designed to be eble to run efficiently on either gas or a distillate fuel, and the installation is designed so that the change-over is automatic and causes no disruption to production. But gas can be considered as the standard fuel. It bas the advantege over others (apart from cost) that it gives a very clean and non-corrosive exhaust gas. This is doubly important in a total energy application, since the wbole idea is that the waste gases exhausted from the turbines should be used to generete steam in a boiler. Clean waste gases simplify the problems of boiler maintenance, as well as reducing the pollution problem to negligible levels.

Exhaust gasea from each pair of turbines are ducted into a single exhaust beat boiler designed to give maximum heat transfer between the gases and the water. Each of these four boilers, designed by Spanner Boilers and using their petented Swirlyflo tubes, produces 17,600 lbs of steam at 180 p.s.i.g. when the turbines are working at maximum power. But the total steam requirement for the factory, for process heating and for air conditioning, is 120,000 lbs of steem per hour, leaving e total deficiency of 49,400 lbs of steam per hour to be made up by other means.

Different ways

This could have been done in many different ways, but in the interests of economy and a compact installation, Spanner installed after-burners in the exhaust pipes of each turbine. Fuel, either natural gas or distillate, is injected at these points and ignited to bring the exhaust temperature up to a level that gives the necessary steam output. Quite apart from this function, the after-burners and boilers are capable of producing the maximum steam demand evan when the turbines are running below maximum capacity, as when the demand for electrical power is low. It is significant and a tribute to clever boiler design and high efficiency, that there is virtually no varietion in the temperature of the gases exhausted from the boilers whether the after-burners are working or not.

Overall, the heat exchange and after-burner system is designed to operate without any supervision. Changeover to distillate fuel when the gas supply is interrupted is automatic and instantaneous, and if the demand for steam should fall below the capacity of the hot turbine gases, an automatic valve diverts a proportion of these gases directly to atmosphere.

Generators' part

Between the inlet to the turbines and the exhaust from the boiler the high efficiency in fuel usage and in heat recovery account for the savings associated with this type of installation.

It is, in fact, easy to forget about the generators themselves, which play such a vital part in the overall concept. Supplied by English - Electric - AEI Machines, the eight a.c. generators are driven from the turbines through the reduction gearbox shafts. Each machine is cepable of delivering 1,152 kW at 80 per cent. power factor, at a voltage of 11 kV. This output is 3-phase, 50Hz, and is generated at a running speed of 1,500 rev./min.

One of the outstanding features of the machines, and of great importance to tha overall efficiency of the new factory, is their ability to maintain the output voltage to within 1 per cent. in all operating conditions from no load to full load. Autosynchronisation facilities bring in each generating set and synchronise it with others already running. Operation is controlled so thet there is no risk of any of the machines getting out of step, end each stage in the routine is safeguarded by a supervisory system.

In many respects the Player installation breaks new ground in total energy, and nowhere more so than in the air-conditioning system. Normally, in such installations, the chilled water required for cooling is produced by electrically driven compressor units. In this application, however, a combination system of absorption units using steam at a pressure of 15 psi and compressors driven by e steam turbine are used, thus reducing the demand on the power supply.

The refrigeration system was designed and supplied by Trane, and it incorporates a steam turbine made by Greenwood and Batley as the compressor drive. One very unusual feeture of this installation is thet the machines are connected in series-parallel in both the steam and chilled water circuits, giving unusual flexibility in operation to meet varying demands or changing ambient conditions.

Overall, in fact, it is flexibility of operation which characterises the total system. In specifying the operating parameters, Player was aware of all the likely eventualities, and has taken steps to protect itself against any untoward circumstances.

Even in the provision of storage for the reserve fuel, the company bas taken care to see that it is more than adequate. Immediate supplies come from two internal day tanks with e capacity of 5,000 gallons of fuel each. These are fed from a bulk supply tank bolding 200,000 gallons and installed on the factory site. Such a precaution ensures that the factory will continne to operate at full output even if the gas supply should be cut off at some unforeseen circumstance such as a major failure in the distribution system, unlikely though this may be.

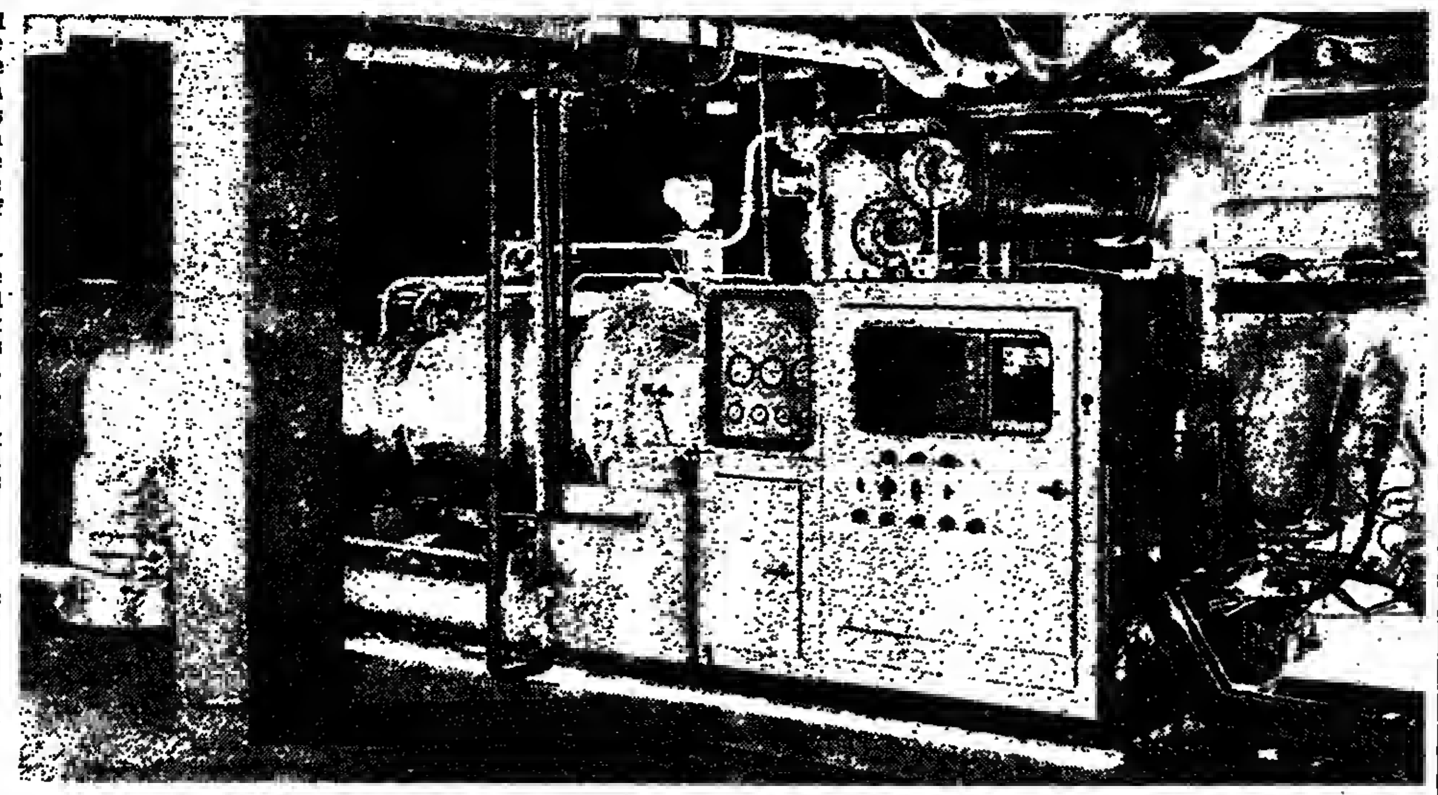
Looking et the whole system objectively, it reflects in all its aspects attention to detail to suit the needs of the user and give him a power source that can provide economy with flexibility and compactness with reliability. One of the ironies of the installation is that, as Ruston cheerfully edmits, gas turbines have a very low thermal shaft efficiency compared with other power sources.

High efficiency

But, having said this, when the fuel is cheap and the system is designed to recover the energy normally wasted in engines, the whole complex showa e very high efficiency. Overall, in fact, the Player installation can be expected, on past experience, to yield an overall thermal efficiency of between 55 and 90 per cent. depending on load fector and the pattern of demand.

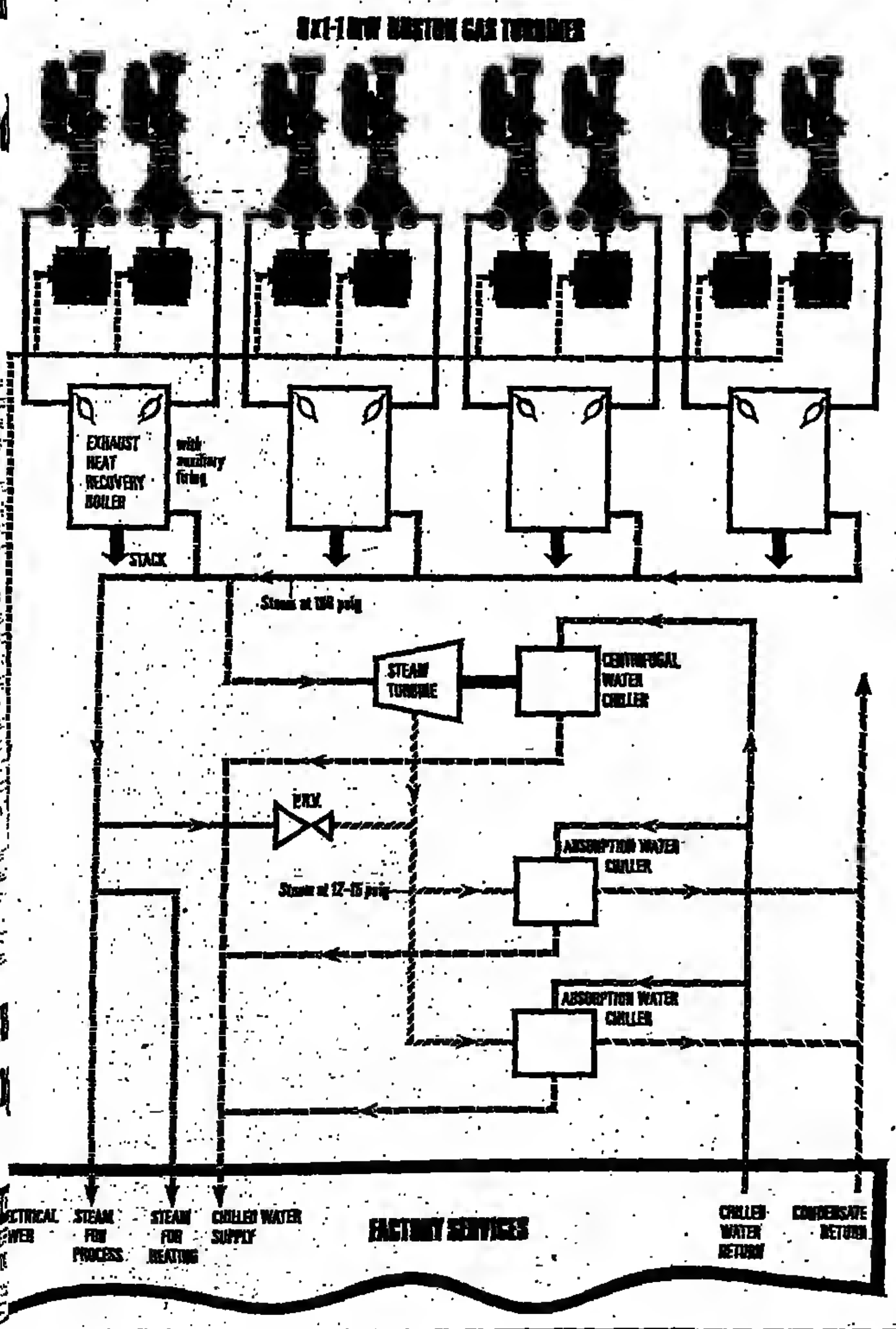
When one considera that the shaft thermal efficiency of a gas turbine is only in the region of 10 to 15 per cent., tha achievemant falls into perspective. Detailed specifications to echieve this figure include, of course, heavy insulation of all potential heat sinks, such as the mineral wool blankets used on the turbine exhaust ducts and the boilers.

Power at lower prices can mean a great deal to the profit margins of many industries. For Ruston Gas Turbines and the other equipment suppliers the Horizon factory is, in many ways, just another contract. For Player it is a step into operating economics. For industry as a whole it could be e valuabla prototype, setting a new pattern of power generation.



One of the eight Ruston TA 1500, 1.1-MW gas turbine generating sets which provide all the electrical and thermal power for the new factory.

DIAGRAM OF TOTAL ENERGY SYSTEM



WALL STREET + OVERSEAS MARKETS

Index drops to new 1971 low of 825

BY OUR WALL STREET CORRESPONDENT

NEW YORK, Nov. 1.

THE RECENT DECLINE gathered momentum on Wall Street to-day and the Dow Jenes Industrial Average dropped to a new low for 1971.

The Industrial Average opened 2.41 eff et 836.59 and steadily gave ground to the close, reaching 825.86, for e fall of 13.14 on the day and 4.71 belew its previeus clesing low of 830.57 recordod on January 4. The NYSE All Common Index lost 77 cents to $51.30, while declines outpaced gains by 1,157-to-292.

Volume, however, further decreased 750,000 shares to 10.96m.

Much of the downturn was attributed to a prediction by economist Eliot Janeway that the Dow would maintain its sinking condition until it bit about the 500 level. Most market analysts contacted, however, do not agree with the widely followed economist.

Mr. Paul W. McCracken, Presidential adviser, said the nation was closer to a firm basis for a reasonably stable price level, end Mr. Charles Walker, Treasury Under Secretary, said additional areas to be exempt from the Wage-Price Freeze in Phase Two would be made known this week.

Dr. Arthur Burns, Federal Reserve Board chairman, said he, and the Presidential Panel on Interest and Dividends that he heads, will oppese most interest rate increases.

A late report by the Commerce Department that consumers reported rsig purchasing expectations for new cars and household durable goods in October apparently had little impact.

IBM fell $3½ to $292½, General Electric lost $1¼ to $56⅛ and Levitz Furniture were off $3¾ at $90⅛.

In Motors, Ford dropped $1⅛ to $66, General Motors at $72⅞ and Chrysler at $27⅞, each lost $1⅛. American Motors were unchanged at $7⅛, holstered by reiteration of an earlier projection that it would be profitable in the fourth quarter and for the year as a whole.

Steels retreated as industry officials reportedly doubt that an order upsurge will take place in January. Steel output rose 0.2 per cent. last wek from the week earlier. U.S. Steel were off $⅛ at $26⅜ as were Republic at $20⅞. Armco declined $⅜ to $16⅜.

Control Data lost $¾ to $39⅝ after it postponed its previously anneunced plans for a republic offering of equity securities later this year, attributed to depressed market conditions.

Memorex geve way $1⅛ to $29—it expects te report a loss for the third quarter and "definitely" for the full year fellowed by a modest profit in 1972.

OTHER MARKETS

Canada lower

Canadian Stock Markets resumed their downward trend in light trading yesterday merning. Industrials lest 0.53 en index, Western Oils 0.71, Golds 0.61, Base Metals 0.55, Utilities 0.38 and Papers 0.14. Only Banks, up 0.35, meved against the general trend.

GERMANY — Markets turned easier on leck of interest, partly reflecting the official boliday in parts of Germany.

Bayer, off DM1.5, led leading Chemicals lower, while AEG declined DM2.30 in Electricals.

Banks, Motors and Stores showed heavier losses.

In generally well maintained Bonds, Public Loans gained about ¼ point.

AMSTERDAM — Most Internationals weakened: KLM, Fls.4.5, fell on its results.

Plantations were narrowly mixed and Sbippings edged lower. Most local Industrials also eased. Weak spots were Naarden-Chemie, eff Fls.2.3, Heineken, off Fls.1.5, Oce-Van Der Grinte, off Fls.1.5.

Banks were led down by Algemene Bank Nederland, which lost Fls.2.5. Investment Funds were narrowly mixed. In mostly lewer Insurances, Amfas geined ground.

State Loans were quietly mixed.

SWITZERLAND—Markets were firmer. In Industrials, Brown Boveri rose Frs.45, CIBA-Geigy Bearer Frs.85, Nestle Bearer Frs.45, Sandoz Frs.65 and Lonza Frs.35. Schindler were listed for the first time to-day with Bearer quoted at Frs.2450 to Frs.2475 and the Registered at Frs.450.

Financials and Insurances closed slightly higher, while Banks firmed led by Bankverein.

State Bonds were narrowly mixed in quiet trading.

Dollar stocks were steady, although Litton Industries and Sperry Rand each moved higher in active trading. Dutch shares lost ground and German stocks were mainly eased.

STOCKHOLM—Very firm.

PARIS—Closed yesterday—All Saints Day.

BRUSSELS—Closed yesterday—All Seints Day.

MILAN—Closed yesterday—All Saints Day.

VIENNA—Closed yesterday—All Saints Day.

OSLO—Banks and Industrials easy, Shipping barely steady.

COPENHAGEN—The market wes quiet, with the few issues to move showing changes within ene point either way.

JOHANNESBURG — Prices drifted lower in very quiet trading. Golds were slightly softer, while Mining Financials continued to ease. Coppers steadied at lower levels.

Banks remained little changed but prices were generally lower, where changed, in Industrials.

TOKYO — Prices generally gained strength, assisted by increased trading—170m. shares. Anti-Pollution releted issues were bought on the news thet the Ministry of International Trade and Indnstry intended to set up a 10 per cent. tax credit system for investments in equipment fer pellution contrel and labour saving. These included Mitsubishi Kakoki, Taguma Boiler, Ishii Iron, Chiyoda Chem and Japan Catalytic Chem.

Ameng "speculetive" issues, Heiwa Real Estate gained ground, but Sanko Steamship and Aisugi Nylon eech eased. Other gainers included Toyo Kanetsu, NGK Insulator.

Dainippon Printing, Toppan and Kyodo Printing each rose on their favourable business results anticipated for the term ending this November.

Some Consumer Expenditure-related issues, including Renown and Kashiyama, were firm, due to an expected increase in sales. Department Stores were generally easy, except for Mitsukoshi Dept.

Misawa Home, newly listed on the second section of the SE, gathered popularity, opening at Yen 800, against the offering price ef Yen 480.

Tateisi and Pioneer were each higher among Light Electric issues.

AUSTRALIA—Rises slightly outnumbered falls in very quiet trading. Mines generally were weaker, Oils were little changed while Industrials were mixed.

Poseidon finished 70 cents down at $15.80. Bougainville shed 7 cents to $2.18, despite predictions thet its plant would be in operation during the first half of next year, wbile Broken Hill South were 5 cents lower et $2.22.

Metal Exploration gained 10 cents to $3.25, following mention in the latest quarterly report of a new nickel strike in Western Australia. CRA added 2 cents at $5.61 and Hamersley rose 6 cents to $2.54 bid.

Selcast dipped 5 cents to $1.25.

In Uraniums, Queensland Mines rose 20 cents to $4.10 and Kathleen Investments put on 10 cents to $2.80. Peko Wallsend advanced 10 cents to $6.70 and Pancontinental gained 3 cents to 83 cents.

Among Industrials, BHP declined 22 cents to $10.12. CUB gained 5 cents to $3.75, but Yarra Falls, wbich plans to refund $1 per share to shareholders within a year, slipped 4 cents to $1.95.

Nicholas rose 1 cent to 85 cents after the annual report, but Stedman at $2.80 and Lifesavers, at $1.85 were each unchanged.

In Oils, Woodside added 3 cents at $1.03 on director D. Hughes-Jones recommending acceptance of the Woodside-Burmah offer. Mid East Oil were marginally higher at 76 cents.

● INTERSTATE OIL said that the court order approving a reduction in the capital of the company from $9.1m. to $2.275m. has been lodged with the Registrar of Companies. For every four shares held, the holdings of shareholders will be reduced to one share. This will mean the issue of new certificates. A form showing holdings on the reduced basis is being sent to shareholders with instructions for the return of old certificates for replacement by new ones.

Indices

NEW YORK

DOW JONES AVERAGES

Close	9 ome Bonds	Transport 1	Indus. *	Util. Φ	Trading volume† 000's
Nov. 1	72.24	223.32	825.86	111.29	10,960
Oct. 29	72.23	229.21	839.00	111.90	11,71e
28	72.51	227.86	837.62	111.66	15,630
27	72.37	227.50	836.38	112.06	13,480
26	72.30	231.32	845.36	112.54	13,390
25	72.12	231.86	843.50	113.66	7,340
22	72.01	232.64	852.37	113.78	14,560
21	71.87	233.36	854.85	114.07	14,990
20	71.93	232.64	866.65	114.04	16,340
1971 High	72.37 (27/10)	248.33 (7/9)	950.82 (28/4)	128.39 (19/1)	—
Low	69.02 (4/1)	199.70 (4/1)	825.86 (1/11)	109.18 (27/9)	—

* All-time high 995.15 (9/2/66)
‡ All-time high 279.88 (7/2/69)
Φ All-time high 163.32 (20/4/65)
† Excluding bonds.

IND. DIVIDEND YIELD p.c.

Oct. 29	Oct. 22	Oct. 19 1970
3.75	3.70	4.21

N.Y. SE ALL COMMON INDEX

Dec. 31, 1965=50.

1971 High	1971 Low	Mon.	Fri.	Thurs.	Wed.	Tues.
57.76 (28/4)	49.73 (4/1)	51.30	52.07	51.87	51.80	52.54

RISES AND FALLS

Issues traded	Up	Down	Unchanged
1,693	292	1,157	244

	Mon.	Fri.	Thurs.	Wed.	Tues.
New Highs	8	7	8	8	10
Lows	139	88	175	183	114

AMERICAN SE ALL STOCKS AVERAGE

1971 High	1971 Low	Mon.	Fri.	Thurs.	Wed.	Tues.
28.69 (28/4)	22.72 (4/1)	24.40	24.81	24.60	24.49	24.73
Volume (000's)		2,840	2,900	3,830	3,610	3,050

STANDARD AND POORS U.S. STOCK INDICES

	*Industrials	†Composite
Nov. 1	103.22	92.80
Oct. 29	103.85	94.23
28	103.54	93.96
27	103.33	93.79
26	104.37	94.74
25	104.75	95.18
22	105.21	95.51
1971 High	115.34 (25/4)	104.77 (25/4)
1971 Low	99.73 (4/1)	81.50 (4/1)

* 425 Utilities. † 425 Industrials, 90 Utilities and 25 Rails. (1941=10.)

STOCK AND BOND YIELDS

	Oct. 27	Oct. 20	Oct. 29 1970
Industrial div. yield pc	3.04	2.99	3.57
Price-earning ratio	16.80	17.12	15.74
Long-term Govt. Bds. yield pc	5.72	5.73	6.51

MOST ACTIVE STOCKS

	Shares traded	Closing price	Change on day
Airco	125,400	16⅛	−1⅛
Studebaker	121,600	38⅛	−1⅛
Mobil Oil	109,900	45⅛	−⅛
Virginia Electric	108,100	18⅛	−⅛
Amer. Tel. & Tel.	95,400	42⅛	−⅛
U.S. Steel	77,900	26⅜	−⅛
Texaco	77,600	30⅛	−⅛
Occidental Pet. "A"	77,500	13⅛	−½
Pittston	77,000	33½	−4⅛
Kennecott	73,200	23⅛	−1⅛

TORONTO

INDUSTRIAL INDEX

Nov. 1	Oct. 29	1971 High	1971 Low
159.80	160.82	188.74 (2/1)	159.80 (1/11)

MONTREAL

INDUSTRIAL INDEX

Nov. 1	Oct. 29	1971 High	1971 Low
164.81	165.58	188.89 (20/4)	164.01 (1/11)

COMBINED INDEX

Nov. 1	Oct. 29	1971 High	1971 Low
164.29	165.52	181.05 (20/4)	164.29 (1/11)

JOHANNESBURG

	Nov. 1	Oct. 29	High	Low
Industrials	137.0	137.8	212.4 (9/4)	137.0 (1/11)
Golds	63.8	64.1	89.3 (19/4)	63.1 (26/10)

(1958=100.) Source: Rand Daily Mail.

AUSTRALIA

MELBOURNE YIELD INDICES

Av'ge yield on 50 Leading Stocks	Oct. 28	Oct. 21	Oct. 15
On Dividends	0.64	0.59	3.67
On Earnings	9.59	2.50	8.65

SYDNEY ALL ORD. INDEX

Nov. 1	Oct. 28	High 1971	Low 1971
429.02	429.89	518.51 (4/1)	428.40 (8/10)

TOKYO

NEW SE INDEX

Base=100 January 4, 1968.

Nov. 1	+ or −	Div. %	Yield %
173.94	+0.32	11.90	3.49

	High	Low
1971	200.10 (12/8)	148.33 (5/1)

EUROPE

	Nov. 1	Previous	1971 High	1971 Low
Belg'm (m)	(c)	93.13	106.74 (30/7)	92.14 (4/1)
France (bb)	(c)	64.4	79.2 (28/7)	64.4 (29/10)
Germany*	(c)	90.55	112.71 (23/2)	89.85 (28/10)
Holland (o)	97.0	97.9	128.0 (6/4)	97.0 (1/11)
Italy†	(c)	46.74	60.09 (8/3)	45.28 (22/9)
Sweden (p)	285.50	282.48	292.71 (23/6)	245.71 (6/1)
Switz'rl'd **	359.7	360.8	412.9 (10/9)	346.2 (28.10)

* Herstatt Index. † Base amended to January 2, 1962, from December, 1950. ** Swiss Bank Corporation Index base 100 December, 1968. (b) Basis 100 December 29, 1967. (c) Closed. (m) Base date amended from 1958 to 1963. (o) Adjusted now quoted on basis 1963=100 and no longer 1953=100. (p) Base date December 29, 1956. (bb) New index introduced by Paris Bourse Committee basis 1961=100.

MONEY + EXCHANGES

Free credit supply

Bank Rate 5% (Sept. 2, 1971)

Credit was in good supply in the Discount market yesterday and the authorities seld a very large ameunt ef Treasury bills te banks and the bouses te absorb surplus funds. A very large excess of Exchequer disbursements over revenue payments was in the market's favour and this was only partly offset by the finance of the Treasury bill take-up.

A rate of 4½ per cent. to 4¾ per cent. wes paid for secured day-to-day loans in the early part, with plenty of money on rates et the close were down per cent. to 2½ per cent.

In the inter-bank market night leans began the day at 4½ per cent., but fell steadily 2-2½ per cent. by the close.

Nov. 1	Sterling certificates of deposit	Inter-bank	Local Authority deposits*	Local Auth. negotiable bonds	Finance house deposits	Inter-company loans	Discount market deposits	Treasury bills Φ	Bank bills Φ	Fine trade bills
Overnight	—	2-4⅞	3-4½	—	—	5⅛-5⅜	5-4¾	—	—	[illegible]
2-days notice	—	—	4¾-5	—	—	5⅛-5⅛	—	—	—	[illegible]
†7-days or 7-days notice	—	4¾-4⅞	4⅞-5⅛	—	5-5⅛	5¼-5½	4⅞-4⅛	—	—	[illegible]
One month	5⅛-4⅞	4⅞-5	5-5⅛	5⅛-5	5-5⅛	3¼-5⅝	—	4⅞-4⅞	4⅞-4⅞	[illegible]
Two months	5⅛-4⅞	4⅞-5	5-5⅛	5¼-5	5⅛-5¼	5⅜-5⅝	—	4⅞-4½	4⅞-4⅞	[illegible]
Three months	5⅛-4⅞	5-5⅛	5-5⅛	5¼-5	5⅛-5¼	6⅛-5⅝	—	4⅞-4⅞	4⅞-4⅞	[illegible]
Six months	3¼-3⅛	5⅛-5¼	5⅛-5¼	5⅞-5⅞	6¼-5⅜	5⅝-6	—	—	—	[illegible]
Nine months	5⅝-5¼	5¼-5⅝	5¼-5⅝	5⅞-5⅞	5½-5⅝	6¼-6⅜	—	—	—	[illegible]
One year	5⅞-5⅞	5⅝-5½	5⅝-5⅞	5½-5⅜	5¾-5⅞	6½-7¼	—	—	—	[illegible]
Two years	—	6-6⅛	6¼-6⅜	6⅞-6⅞	6-6¼	6-6⅛	—	—	—	[illegible]

† Local authorities and finance houses seven-day notice, other seven-days fixed. * Nominal longer-term mortgage three-years 6½-7 per cent., four-years 7¼-7½ per cent., and five-years 7½-7½ per cent. Φ Bill rates in table are buying for prime paper. Buying rate for 4-month bank bills 4 15/16 per cent., and for 4-month trade bills 5⅞ per cent. Approx. selling rate for 1-month Treasury bills 4⅜ per cent., for 2-month 4 7/16 per cent., and for 3-month 4 31-64ths per cent. three months bank bills eligible for re-discount at the Bank of England were quoted for sale in places at 4½ per cent. one to three-month trade bills at 5 per cent.

Finance House Base Rate (published by the Finance House Association) 5½ per cent. from Nov. 1. Clearing banks' rate (for small sums at 7-days' notice) 2½-3 per cent., and Base Rate for lending 4½-5 per cent.

Co-operative Bank Deposits: 7-day 3 per cent., 1-month 3½ per cent., base rate 5 per cent.

EXCHANGES AND BULLION

Sterling improved against the dollar in London inter-bank dealings, closing at $2.4930-2.4932 compared with $2.4910-2.4913 on Friday. Trading was fairly quiet and the pound remained firm all day, moving from an opening rate of $2.4909-2.4914 to $2.4921-$2.4923 by mid-afternoon. Euro-dollar rates were unchanged. Forward sterling was firmer, with the 3-month at 0.15½ cents discount, 6-month at 0.34½ cents discount, and 12-month at 1.10 cents discount. The dollar hed a quiet day in terms of the major currencies, and many Continental centres were closed for an annual holiday. They included Brussels, Milan and Paris. The Swedish kronor was firmer, as was the D-Mark, but Swiss francs were again a weak feature. Canadian dollars declined to 99.42-99.45 U.S. cents.

Gold was fixed at $42.12½ (£16.905) an ounce in London in the morning and at $42.15 (£12.913) in the afternoon. Trading was moderate and the closing quotation was $42.10-42.30, for a net loss of 20 cents. Gold coins were unchanged. In Zurich, gold ended 20 cents lower at $42.10-42.25. Hong Kong lowered gold 19 cents to $44.21.

EXCHANGE CROSS-RATES

Nov. 1	Frankfurt	New York	Paris (c)	Brussels	London	Amsterdam	Zurich
Frankfurt	—	3.3375-85	60.30-35	7.155-160	8.3175-85	99.60-55	85.45-47
N. York	29.995-005	—	18.075-085	2.1468-1475	2.4932-4934	39.235-245	26.14-16
Paris.* (c)	165.76-85	5.633-536	—	11.875-e82	13.7935-803	165.30-40	138.70-80
Brussels.*	13.98½-97	46.53-61	8.41½-42	—	116.10-20	13.811½-92	11.67½-62
London	8.301½-31	2.491½-¼	13.77½-73½	116.95 .10	—	8.341¼-361¼	8.958-96½
Am'd'm	100.35½-40½	3.25⅛-⅛	60.56½-61½	7.181¼-¾	8.24½-36½	—	83.83-93
Zurich	116.68-76	3.997-998	72.06-16	8.55½-56½	8.959-963	119.27-35	—

D.2.$ on Montreal 1.001⅛-⅛. Canadian $ on New York 0.9953-9956. (c) Commercial Milan on New York 612.30. Milan on London 1526.80. * Closed—All Saints Day.

EURO-CURRENCY INTEREST RATES ◇

Nov. 1	Sterling	U.S. dollar	Canadian dollar	Dutch guilder	W. German mark	Swiss franc
‡Short-term	5-5¼	4⅛-4⅝	3¾-4	5¼-5¾	4½-5	0-½
7-days' notice		4¼-4¾	4⅜-4⅝	5¼-5¾	4½-5	0-½
Month	5⅛-5⅞	4⅞-5⅜	4⅛-4⅝	4¾-5	4½-4⅞	1⅛-⅝
Three months	5¾-6¼	5¾-6¼	5⅝-5⅞	5⅝-5¾	6-6¼	1⅝-1⅝
Six months	5½-6⅛	6⅞-6⅝	5¾-6	5⅝-5⅝	6-6¼	7½-2⅛
One year	6¼-6¾	8¼-6¾	6⅛-6⅞	5⅝-5⅞	5⅛-5⅞	2⅞-3⅛

Longer-term Eurodollar deposit rates were quoted nominally as follows: two-years 6½-6⅞ per cent., three years 7-7½ per cent., four-years 7¼-7½ per cent., and five-years 7½-7⅞ per cent.

The following nominal rates were quoted for London dollar certificates of deposit: one-month 5¼-5½ per cent., three-months 6½-6 per cent., six-months 6 3/16-6 1/16 per cent., one-year 6½-6½ per cent.

◇ Rates in some cases nominal

‡ Short-term rates are called for Sterling, U.S. dollars and Canadian dollars, and two-days' notice for Guilders, Marks and Swiss francs.

FOREIGN EXCHANGES

Nov. 1 1971	Bank Rate %	Market Rates: Day's Spread	Close
New York	6	2.487⅛-2.493⅛	2.491
Montreal	4¾	2.50½-2.50⅝	2.50
Amst'dam	5	8.50½-8.39½	8.341
† Brussels	5½	175.98-116.16	116.9
Copenh'gn	7½	18.07½-10.10½	18.08
Frankfurt	4½	8.30-8.33	8.30
Φ Lisbon	Δ5¾	68.15-68.76	68.[illegible]
Madrid	††6	170.60-171.15	170.7
Milan	4½	1,524-1,527	1,52[illegible]
Oslo	4½	17.06½-17.09½	17.[illegible]
‡ Paris	6¾	13.76½-13.79½	13.7[illegible]
Stockh'lm	5½	12.48-12.53	12.5[illegible]
Toyko	6¼	810-830	8[illegible]
Vienna	6	60.09-60.50	60.[illegible]
Zurich	5¾	9.94-9.97	9.95

Φ The rate given is that qu[illegible] London. Transactions may be at a different rate through the Portugal. † Convertible account. of Portugal discount. †† Bas[illegible] count rate. ‡ Rates given are f[illegible] mercial franc. Closing financi[illegible] rate 13.50-13.52.

OTHER MARKET RATES

		¶Note rates	
Argentina	◆12.40-12.50	Argentina	[illegible]
Australia	2.1428-2.1514	Austria	[illegible]
Brazil	13.58-13.78	Belgium	[illegible]
Greece	74.42-74.62	Brazil	[illegible]
H'ngKong	14.530-14.614	France	[illegible]
Luxemb'g	113.95-115.10	Germany	[illegible]
Malaysia	7.3625-7.3950	Italy	[illegible]
N.Zealand	2.1367-2.1492	Japan	[illegible]
S. Africa	1.7688-1.7857	Neth'rl'n'ds	[illegible]
U.S.—Canada $C1=U.S. cents	99.42-99.45	Spain	[illegible]
		Switz'land	[illegible]
		U.S.	[illegible]

‖ Rates quoted by specialist[illegible] Other rates may be quoted el[illegible] ◆ Commercial account. Financ[illegible] not available.

FORWARD RATES

—	One month	Three months
New York	⅛ c.pm-par	¼-⅛ c.[illegible]
Montreal	¼ c.pm-par	⅛-⅛ c.[illegible]
Amst'dam	¾ c.pm-¼ c.dis.	2¼-1½[illegible]
Brussels	05 c.pm-10 c. dis	25-05[illegible]
Copenh'n	par-6 ore dis	6-11 o[illegible]
Frankfurt	1 pf pm-par	3-2 pf[illegible]
Lisbon	10 c. pm-10 dis.	30c.pm[illegible]
Milan	1½ L.pm-1½ L.dis.	2½ lr.p[illegible]
Oslo	5 ore pm-par	12-7 o[illegible]
Paris	9-6 c. pm	21½-1[illegible]
Stockh'lm	par-1 ore dis	¼-1¼[illegible]
Vienna	15groom-20grodis	25g.p[illegible]
Zurich	4¾-3¾ c. pm	12½-1[illegible]

...D UNIT TRUST[illegible]

OVERSEAS SHARE INFORMATION

Investment $ Premium (based on $2.40 per £1) 18¼% (18%)

NEW YORK

RAILROADS

INDUSTRIALS, ETC.

Stock	Nov. 1	Oct. 29
[illegible]	[illegible]	[illegible]

TORONTO

Stock	Nov. 1	Oct. 29
[illegible]	[illegible]	[illegible]

PUBLIC UTILITIES

Stock	Nov. 1	Oct. 29
[illegible]	[illegible]	[illegible]

MONTREAL

Stock	Nov. 1	Oct. 29
[illegible]	[illegible]	[illegible]

TRUSTS, BANKS & BONDS

Stock	Nov. 1	Oct. 29
[illegible]	[illegible]	[illegible]

$ Asked. ‡ Assented. † Traded. ‡ New stock.

GERMANY ◆

Nov. 1	Price Dm	+ or −	Div. %	Yld. %
A.E.G.	134.2	−2.3	16	2.0
Allianz Versich.	344	−4	12	1.8
Audi N.S.U.	141.1		—	—
B.M.W.	157		12	3.2
Badische Anilin	117.5	−0.5	22	—
Bayer	115.3	−1.5	16	7.0
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

AMSTERDAM

Nov. 1	Price Fls.	+ or −	Div. %	Yld. %
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

OSLO ◆

Nov. 1	Price Kroner	+ or −	Div. %	Yld. %
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

◆ DM50 denom. unless otherwise stated. ◆ Kr.100 denom. unless otherwise stated. ◆ F 500 denom. unless otherwise stated.

PARIS

Oct. 29	Prices Frs.	+ or −	Div. Frs.	Yld. %
Air Liquide	340.2	−0.4	10.23	3.0
Aquitaine	652	+2	15.84	2.4
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

BRUSSELS

Oct. 29	Price Frs.	+ or −	Div. Frs. Net	Yld. %
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

SWITZERLAND ◆

Nov. 1	Price Frs.	+ or −	Div. %	Yld. %
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

VIENNA

Oct. 29	Price %	+ or −	Div. %	Yld. %
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

MILAN

Oct. 29	Price Lire	+ or −	Div. Lire	Yld. %
Alitalia Priv.	9,901	+1	—	—
ANIC	725	+4.75	50	6.2
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

TOKYO

Nov. 1	Prices Yen	+ or −	Div. %	Yld. %
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Source: Nikko Securities Tokyo. ◆ Osaka Exchange.

STOCKHOLM

Nov. 1	Price Kroner	+ or −	Div. Kr.	Yld. %
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

COPENHAGEN

Nov. 1	Price %	+ or −	Div. %	Yld. %
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

NOTES: [illegible]

AUSTRALIA

Nov. 1	Aust. $
Acrow Australia	1.46-1[illegible]
AdelaideBrightonCem't 50c	1.50-1[illegible]
Alkane Exploration	†0.1[illegible]
Ampol Exploration	0.98-1[illegible]
[illegible]	[illegible]

JOHANNESBURG

MINES

Nov. 1	Rands
[illegible]	[illegible]

INDUSTRIALS

Nov. 1	Rands
[illegible]	[illegible]

هكذا من الأصل

STOCK EXCHANGE REPORT

Pronounced dullness with buyers holding off again

Share index 6 points lower at 403.8—Bid features

ACCOUNT DEALING DATES

Option First Dealings	Declarations	Last Dealings	Account Day
Oct. 18	Oct. 28	Oct. 29	Nov. 9
Nov. 1	Nov. 11	Nov. 12	Nov. 23
Nov. 15	Nov. 25	Nov. 26	Dec. 7

" New time " dealings may take place from 9.30 a.m. three business days earlier.

Investment interest in stock markets yesterday was centred chiefly on "bid" stocks, both actual and rumoured, activity being enlivened by bid approaches to A. B. Maltsters, the day's most active issue, Ashworth and Steward, and Ellis (Kensington) and the Armour Trust offer for Tizer. Elsewhere, interest was small and leading issues gave ground steadily throughout the day on modest selling and with buyers extremely selective. The generally cautious tone of week-end Press comment, matched in the FT's latest survey of Business Opinion, helped to inhibit buyers.

A steadier tendency appeared to be developing in the early afternoon, but news of Wall Street's further downturn soon after yesterday's trade started there was quickly reflected in further weakness in London, which closed with quotations at the day's lowest. The Financial Times Industrial Ordinary share index, 4 points down at noon, was finally 6 points off at 403.8. The FT-Actuaries three main indices were 1.1 to 1.3 per cent. down, while further profit-taking lowered Gilt-edged by falls ranging to 50p which brought the Government Securities index back 0.32 to 78.29. The ratio of falls-to-rises in FT-quoted equities was 7:4, much the same as last Friday's, and official markings of 12,749 showed little change on the previous Monday's.

Gilts ease further

Further profit-taking in a thin market made for renewed dullness in British Funds yesterday. Although selling was modest, longs and longs gave ground on a broad front and closed with falls extending to ½, while undated stocks ended with falls of ... Interest in the shorts remained extremely small, but some switching into longer maturities left a couple of prices with losses of 1/16. Corporations also gave ground, with recently issued stocks particularly dull.

Leading debenture issues were inclined to lose a little ground during a small business.

After a quiet day in investment dollars, the premium ended ¼-point higher at 18¾ per cent. Among Canadians, International Nickel lost ¾ to £12¾ in front of the reduced third quarter earnings.

Dealings started yesterday in the re-introduced Dundee Perth and London Securities Ordinary shares and 6 per cent. Convertible units of 60p each; the Ordinary opened at 74p and closed at 83p, while the Convertible units ended at 85p after opening at 76p. Elsewhere in New Issues, Carron gained 5p to 170p in front of Tuesday's interim results.

Slater Walker down

Home Banks drifted lower in a small business to close with falls of around 7p. Barclays were exceptional, however, with a loss of 14p at 532p. Slater Walker reflected a chart "sell" signal and finished 16p down at 272p. Hill Samuel were also prominently lower in generally easier Merchant Banks, ending 10½p cheaper at 124p ex dividend. Discount Houses often cheapened, with Alexanders losing 20p to 310p.

Insurances usually lost further ground on small selling. Sun Alliance were 10p down at 486p and Guardian Royal Exchange 8p lower at 240p.

Already a good market at around 132p on Press comment, Associated British Maltsters advanced further to close at 140p, up 26p on the day, following news of the approach from Giltspur Investments; the statement mentioned the likelihood of an offer of approximately 135p per share. Breweries drifted lower on small selling and lack of buying interest, but J. W. Cameron responded to Press comment with a rise of 4p at 164p.

Limmer advanced 10p to 85½p in response to Tarmac's higher offer, while Trafalgar House, which withdrew from the bid battle, recovered 2p to 134p. Val de Travers met speculative support and was also helped by the first half-year's profits recovary, rising 4p to 31½p. Bovis, following Press comment on its recent deals, lost 7p at 207p, while elsewhere in contracting issues, R. Costain fell a like amount to 197p.

ICI were dull at 280p, down 9p, while Fisons lost 11p at 308p. Laporte, however, met renewed speculative demand at 102p, up 2p.

British Lion, a good market at 74p, eased a little on news that discussions were taking place which might lead to a major acquisition and the close was 68p for a net gain of 13p.

Philips' Lamp down

Business remained small in leading Electricals, which generally eased a shade, although Philips' Lamp were particularly dull, falling 21p to a "low" for the year of 453p. Thorn declined 12p to 389p, while A.B. Electronic, in a thin market, fell 11p to 110p. However, several firm spots emerged as a result of favourable Press comment; Ward and Goldstone closed 7p higher at 170p, and rises of 4p apiece were recorded in Stanwood Radio, 91p, and Midland Electric, 115p, while Aerialite closed 2p better at 112p, after touching a "high" for the year of 115p. Cray Electronics improved 3p to 78p in anticipation of the interim results, expected to-day. G. and M. Power and Jones Stroud were both quoted ex scrip issue at 77½p, and 91p respectively.

Stores tended to lose ground under the lead of Marks and Spencer, 279p xd, and "Gussies" "A," 405p, which came back 5½p and 7p respectively. Army and Navy eased 3p to 217p, but gains of that amount were seen in Hall and Earl, 19p, and Bremner, 138p, following Press comment. Mail Orders were dull, with movements generally small as in Empire Stores, 2p easier at 288p.

Shoes provided some firm spots with Stylo, 49p, Newbold and Burton, 26p xd, and James Garner, 66p, all closing around 2p higher.

Engineering leaders drifted lower on lack of interest. "Tubes" lost 6p to 404p, while Guest Keen shed 2p to 370p. Metal Box fell 10p to 374p. There were some good features in second-line issues, however, with Ellis (Kensington) rising 8p to 120p on news that discussions were taking place that may lead to an offer for the shares. J. Bolding gained 18p to 145p on the terms of the bid from Ashbourne Investments. In response to Press comment, Expanded Metal advanced 7p to 124p, Newman Granger 3p to 40p and Folkes-Hefo 1p to 24p. Tobenoil improved 3p to 46p on the good interim results, while after Friday's 10p fall on the sharp setback in first-half profits Balfour and Darwins hardened 1p to 70p ex-dividend. Whessoe were good at 70p, up 4½p, ahead of to-morrow's interim results. Other firm spots included Amari, 3½p up at 107p, and Spirax-Sarco, 8p higher at 138p. Burgess Products dipped 10p to 85p on the reduced profits, while disappointment with the interim statement left Unochrome 2½p lower at 24p, after 20p. F. H. Lloyd shed 2p to 37p on news of the redundancies.

C. Sharpe good

Favourable Press comment prompted a rise of 70p to 350p in a restricted market in C. Sharpe. For a similar reason, J. Coral gained 11p to 198p and and Negretti and Zambra "A" rose 6p to 46p. In contrast, Beecham gave up 9p at 303p and losses of around 5p were seen in Glaxo, 356p, and Turner and Newall, 158p. Ahead of to-morrow's interim results, Scotia Investments advanced 8½p to 120½p. Despite the increased dividend and profits, Eleco eased 2p to 25p. Hoover "A" fell 12p further to 508p, while Johnson Matthey were dull at 227p, down 10p. Robert Stigwood rose to 94p, but came back to close only 1p better on balance at 89p.

In easier Foods, Allied Suppliers, 270p xd, and Tate and Lyle, 136½p, shed 3½p and 3½p respectively. Bowyers fell 4p to 158p, while Associated Dairies were 5p cheaper at 258p, ex scrip issue. OP Chocolate, however, attracted interest and rose 10p to 137p. Following news of the bid from Armour Trust, 5p lower at 58p, Tizer closed unchanged, also at 58p, after 62p. In Supermarkets, Kwik Save dropped 11p to 210p following Press comment.

Following Friday's fall of 20p on the news that Allied Breweries were not to make a bid, Trust Houses Forte opened lower at 128p, and rallied to close 1p better on balance at 134p. Curzon House were firm at 219p, up 9p. Queens Modern Hotels reacted 1½p to 15p xd on the proposed "rights" issue.

Motors were quiet and usually a few pence easier where changed. Dunlop lost 2p to 137p xd, and J. Lucas 3p to 280p. Triplex were a firm exception at 155p, up 3p, the buying accompanied by vague bid rumours; the interim figures are due on November 26. Bluemel also attracted speculative demand at 97p, up 8p. Press comment helped York Trailer, 4p higher at 146p, and Westland, 2p up at 46p. Among Garages, Glanfield Lawrence declined 6p to 26p. Pennine Motors were quoted ex "rights" at 28p, with the new shares at 5p premium.

Feature of an overall firm Property market was Ashworth and Steward, which jumped 15p to 85p on the tentative bid approach. R. Green added 3½p to 68p ahead of Thursday's results, while other firm spots included Edger Investments, 186p, up 10p, and Regional, 23p higher at 298p.

Paper and kindred issues were firm against the market trend. Bowater improved 2p to 153p. Geers Gross rose 10p to 73p, while L. and P. Poster added 7p at 125p xd. British Printing, firm at 33½p in front of the interim report, ended unaltered at 30½p after the news.

Oils dull

Leading Oils met with small, but persistent selling after an initial mark-down in prices on adverse Press comment. BP started the day at 575p and ended at the worst of 565p for a net loss of 17p, while the new shares closed 16p down at 61p premium. Burmah suffered the heaviest fall of 24p at 364p, while the warrants lost 10p at 116p. Shell, after opening a couple of pence easier, finished 10p down at 338p. Ultramar, however, closed well above the worst of 222p in ending 8p lower on the day at 230p.

Leading Shippings tended to drift easier on lack of interest. British and Commonwealth were notable for a fresh fall of 7p to 193p. Furness Withy receded another 5p to 905p; the interim figures are due next Monday.

Trusts were mainly easier, but Lowland Investment closed 3p firmer at 47p after the results. Favourable Press comment prompted an initial rise to 213p in Triumph Investment, but came back later to 208p, unaltered on balance. Direct Spanish Telegraph gave up 5p at 187p.

Incheape up again

Incheape made further progress in Financials, closing 15p higher at 480p, on further consideration of the scrip issue news and dividend forecast. Estates and General put on 1p to a 1971 peak of 32½p in front of to-morrow's interim announcement. J. H. Vavasseur continued a dull market, receding 8p further to 127p, while Drakes lost 6p to 195p.

Nova (Jersey) Knit provided the main feature in Textiles, rising to 233p on the dividend and profits forecast before closing at 252p, up 5p.

In Utilities, persistent small selling left I.C. Gas 16p lower at 429p.

Rubbers closed narrowly mixed after another day of little activity.

Poseidon sag

Mining share markets started the new Account in poor form. Australian Nickel issues, which suffered from overnight weakness in markets "down-under," were also affected by International Nickel's announcement over the week-end that it intends to reduce production by a further 13 per cent.

Poseidon fell 40p to 660p following the lack of stimulating news in the latest quarterly report, while Western Mining gave up 6p at 105p.

Losses in Golds were limited to 5p except for West Wit, which were quoted at 465p ex-rights, a net fall of 20½p; the "new" shares were priced at 10p premium.

Selection Trust fell to a year's low of 430p before rallying to close 25p down on balance at 445p, while the associated CAST gave up 11p at 132p; the latter's annual results are due to-day. Gold Fields fell 4p to 162p following the report. Persistent small London buying, however, added 8p to Lonrho at 59p.

Platinum shares were a shade lower in quiet trading; the news that Johnson Matthey was reducing its sterling price of platinum by £1.50 per ounce owing to changes in currency exchange rates came after market hours.

In an otherwise easier Copper section, "Zamanglo" stood out with a 6p gain at 176p following Press comment. Elsewhere, Tara Exploration were 10p better at 515p after 520p following the latest drill values from the Navan zinc-lead prospect in Ireland.

FINANCIAL TIMES STOCK INDICES

—	Nov. 1	Oct. 29	Oct. 28	Oct. 27	Oct. 26	Oct. 25	A Year ago
Government Sec.	78.29	78.61	78.94	78.69	79.16	79.67	69.83
Fixed Interest	76.56	76.69	78.80	78.75	78.69	76.01	72.10
Industrial Ordinary*	403.8	409.8	410.6	412.8	405.9	402.6	351.7
Gold Mines	44.1	44.3	44.1	43.6	43.6	44.0	62.7
Ord. Div. Yield pc.	3.89	3.83	3.82	3.80	3.86	3.90	4.86
Earnings Yield pc (a)	6.08	6.66	6.97	3.94	6.03	6.09	6.28
P.E. Ratio (a)	12.45	16.69	16.73	16.83	16.58	16.46	14.55
Dealings Marked	12,749	16,645	12,320	11,379	12,511	12,693	9,953

*10 a.m. 406.5 11 a.m. 406.1 Noon 405.8 1 p.m. 405.2 2 p.m. 405.0 3 p.m. 404.6

(a) Based on 40% corp. tax from March 30, 1971. Latest Index 01-248 9033

HIGHS AND LOWS

—	1971 High	1971 Low	Since Compilation High	Since Compilation Low
Govt. Secs.	76.64 (13/10/71)	68.63 (4/1/71)	167.4 (9/1/35)	64.21 (11/6/69)
Fixed Int.	79.37 (15/10/71)	69.66 (4/1/71)	150.0 (28/11/47)	67.12 (11/6/69)
Ind. Ord.	430.8 (7/9/71)	306.3 (3/3/71)	521.9 (19/9/68)	49.4 (28/6/40)
Gold Mines	61.3 (18/3/71)	43.6 (28/10/71)	100.0 (12/9/55)	43.6 (28/10/71)

S.E. ACTIVITY

—	Nov. 1	Oct. 29
Daily—		
Gilt-Edged	183.0	194.2
Industrials	436.2	423.1
Speculative	201.2	201.6
Totals	290.2	283.6
5-day ave—		
Gilt-Edged	183.6	180.3
Industrials	414.4	408.8
Speculative	187.6	185.9
Totals	280.0	279.7

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Ind. Ord. 1/7/35. Gold Mines 12/9/55. S.E. Activity July-Dec. 1942. 1 Corrected figure.

AUTHORISED UNIT TRUSTS (p★★★)

(g) Abacus Management
... Pall Mall, Manchester 2. (061) 832 5027

				§ Yield %
[illegible]	38.6	36.8	—	3.00
...th Units	30.3	38.6	—	3.00
...me Units	30.5	32.7	—	7.00

(n) (b) (e) Equity & Law Un. Tr. M.
Amersham Rd., High Wycombe, Bucks. Tel. High Wycombe 33815

				§ Yield %
Equity & Law Unit	46.8	48.3xd	—0.2	2.67

Family Fund Managers Ltd.
14, Coleman St., London, E.C.2. 01-606 7811

The Family Fund	69.5	52.6	—0.7	2.26

(o) Mallet & Wedderburn Ltd.
62, Lombard Street, E.C.3. 01-626 1091

(b) Overseas Units	64.0	22.6	—0.2	1.94

Metrop. Exempt Fund Mngrs. Ltd.
10, Coleman Street, E.C.2. 606 7811.

Met'tan Exempt Fd.	101.8		.....	—

Price Oct. 29. Next dealing Nov. 25.

J. Henry Schroder Wagg & Co. Ltd.
120, Cheapside, E.C.2. 01-588 4000

Capital (Oct. 26)	109.5	104.9	.....	2.04
(Accum. Units)	106.4	106.0	.....	2.04
Income (Oct. 26)	116.2	116.1	.....	4.69
(Accum. Units)	124.5	167.8	.....	4.62
General (Oct. 27)	81.1	66.8	.....	2.36
(Accum. Units)	63.1	65.0	.....	2.36

OFFSHORE AND OVERSEAS FUNDS (p★★★)

Albany Management Co. Ltd.
Utility Hs. PO Box 483, Hamilton, Bermuda

				§ Yield %
Albany Fund Ltd.	£4.80	£5.17	—0.22	1.00

Amer. Express Inv. Mngmnt. Co.
154, Edward St., Brighton, U.K. BRI 686411

Am Ep's Int. Fd.	$8.38	8.89	+0.04	—

Anchusa Co. Ltd.
P.O. Box 185, Hamilton, Bermuda. P.O. Box 2001

Japan Gwth. Fnd.	US$9.15	9.68	—0.60	—
Do. Do. Stg. Trt.	85.0	89.0	—6.0	—

Australian Selection Fund N.V.
Lond. Agent. Southern Cross Mgmnt., Ltd. 65, London Wall, E.C.2. 01-638 0601

U.S. 610 Shares	US$6.20		.....	—

Next subscription day Nov. 4.

Banque de l'Union Parisienne
6-8, Bld. Haussmann, Paris 9e

Tokyo Valor	$11.25		.....	6.46

Eurosyndicat Group

				§ Yield %
Euruniom Lux F.	1,728	1,792	.....	3.31
Finance Union Lux F.	463	482	.....	3.56

For Sterling Dealing Prices contact London Agents N. M. Rothschild & Son, Ltd., 626 4356, Hill Samuel & Co. Ltd. 628 8011

Fidelity Mangmnt. & Research Co.
Boston, Massachusetts

Fidelity Trend	$25.00	25.14	+0.17	6.42
Do. Capital Fund	$11.82	12.79	+0.07	2.75

Fidelity Mangmnt. & Research (Bermuda) Limited

Fidelity Int. Fnd.	$13.26		.....	—
Fidelity P'cfic Fd.	$10.90		.....	—

For additional information contact Julius Baer International Ltd. 38, Mincing Lane, E.C.3. 01-626 5182

First Investor & Savers Vln. Agts.
15-16, America Square, E.C.3. 01-488 4511

Jardine Fleming & Co. Ltd.
22, Pedder Street, Hong Kong

				§ Yield %
JardineEast'nFd†	HK$146.38	+5.46		2.73

Save & Prosper Distributors Ltd.
P.O. Box 1434, Hamilton, Bermuda

				§ Yield %
Dollar Fund	£4.78	6.22	—0.15	—
Hampstead	£6.33	6.69	+0.10	—

INSURANCE, PROPERTY, BONDS

STOCK EXCHANGE DEALINGS from the Official List for Nov. 1

Monday, November 1	12,749	Thursday, October 28	12,320	Tuesday, October 26	12,511
Friday, October 29	12,545	Wednesday, October 27	11,372	Monday, October 25	12,695

The list below gives the prices at which bargains done yesterday by members of the London Stock Exchange were recorded in the Stock Exchange Daily Official List. Members are not obliged to mark bargains except in special cases, and the list cannot, therefore, be regarded as a complete record of prices at which business was done.

Bargains are recorded in the Official List up to 2.15 p.m. *only, but later transactions can be included in the following* day's Official List. No indication is available as to whether a bargain represents a sale or purchase by members of the public. Markings are not necessarily in order of execution, and only one bargain in any one security at any one price is recorded.

The number of dealings marked in each section follows the name of the section. Unless otherwise denoted shares are £1 fully paid and stock £100 fully paid. Stock Exchange securities are quoted in pounds and fractions of pounds or in new pence and fractions of new pence.

‡ Bargains at Special prices. Δ Bargains done with or between non-members. ◆ Bargains done previous day. § Bargains done with members of a recognised Stock Exchange. ♣ Bargains done for delayed delivery or "no buying-in." $A—$Australian; $B—$Bahamian; $C—$Canadian; $HK—$Hong Kong; $J—$Jamaican; $Ma—$Malayan; $Me—$Mexican; $NZ—$New Zealand; $S—$Singapore; $US—$United States; $WI—$West Indian.

BRITISH FUNDS, ETC. (850)

INT. BANK STOCK (1)

CORPN. & COUNTY—U.K. (175)

PUBLIC BDS., ETC.—U.K. (18)

COMMONWEALTH GOVT. AND PROVINCIAL SECURITIES (41)

FOREIGN STKS., BDS., ETC. (12)

CORPN. STKS.—FOREIGN (1)

U.K. AND COMMONWEALTH RAILWAYS (6)

BANKS & DISCOUNT COS. (380)

Kleinwort Benson Lonsdale (25p) 110 15
Lloyds Bolsa Intnl. Bk. 325 3
Lloyds 554 48‡ 0 52 46 50 6 47‡ 6
London County Securities (25p) 171◆ 5 2
Mercury Secs. (25p) 188 4. 6¼pcLn. 75¼◆ 8◆
Midland 480◆ 74 70 68 72 6
Minster Assets (25p) 82½‡◆ 1¼◆ 2½◆ ½ 3 4 2 3½
Montagu Trust (25p) 201◆ 2◆ 2 166
National Commercial Banking Gp. (25p) 137½◆ 6 7 5
National Bank of Australasia ($A1) 144
National Westminster 542◆ 40◆ 20‡◆ 34 8 7 50 40 38 2 3‡ 3. Warrants 60½◆ 79 80. 7pcPf. 81½◆ 2‡◆ 1◆ 2¼ 1½. 8¼pcLn. 100¼◆ ½. 9pcLn. 104¼ 5¼
Royal Bk. Canada (Mkg.Names) ($C2) 612.15◆ 12.25 †2.P8◆
Slater Walker Securities (25p) 286◆ 5◆ 9½◆ 7 5 2 1 80 8 79 8 7½ 8 6‡ 0½ 83 4 70‡ 63‡. New 262. 5¼pcPf. 120½ 1. 7pcLn. 1973 96½. 7pcLn 1973 (With Sub. Rts.) 110 9½ 9. 8½pcLn. 1991-96 93◆. 8½pcLn. 1988-85 66

BREWERIES & DISTILLS. (273)

CANALS & DOCKS (9)

COMMERCIAL, INDUSTL. (6,953)

A—B

Bond Street Fabrics (10p) 77½ 7 8 8½
Bonochord New 1¼ 2 1¼pm
Booker McConnell (50p) 108◆ 7½◆ 7 5 ½
Boots (25p) 204½ 5 4 2½‡ 5 3½. 6pcLn. 79½◆ ½. 7¼pcLn. 90¼◆ 1◆
Boulton (W.) (Hldgs.) (10p) xd 35◆ 7 8 8. 8½pcLn. 115
Bourne Hollingsworth (25p) 78◆ 0½◆
Bovis (25p) 21P◆ 13 14 12 8 6
Bovril 6½pc1stPf. 88◆ 8. 7½pc1stPf. 79◆ 8½
Bowater Paper 180‡◆ ½◆ 50 48‡ 52 49‡ 51 2½ 3. 5½pcPf. 62
Bowthorpe Hldgs. (10p) 46¼◆ 6½
Bowyers (Wiltshire) (25p) 162◆
Brady (G.) (25p) 99◆ 100½◆. A (25p) 97◆
Braid Grp. (5p) 55
Brayhead (10p) 10½ ¾ 11¼ 10¼ 10
Breedon Cloud Hill Lime Works (25p) 96
Bremner (25p) 140
Brent Chemicals Intnl. (10p) 42
Brevitt (12½p) 17½
Brickhouse Dudley (10p) 78 4½ 4 5 7 5¼
Bridport-Gundry (20p) 57½◆
Brierlays Supermarkets (10p) 82◆ 3◆

C—D

E—F

G—H

Hilton (Ralph) Transport Services (10p) 61½◆ 59 60
Hinton (Amos) Sons (10p) 61
Hirst Mallinson (20p) 24 ½
Hodge Gp. (50) 23¼◆ 2¼◆ 3 ¼

I—J—K

L—M

Mono Containers (25p) 54
Monsanto Chems. 6pcDb. 76
Monsanto Textiles 5pcLn. xd 55. 5pc Stlg-Dollar Ln. 63½
Montfort (Knitting Mills) (25p) 59◆

N—O—P

Q—R—S

T—U—V

W—Y—Z

ELEC. LIGHTING & POWER (8)

FINANCIAL TRUSTS, ETC. (233)

GAS (11)

INSURANCE (258)

INVESTMENT TRUSTS

UNIT TRUSTS (4)

IRON, COAL & STEEL

هكذا من الأصل

F.T.—ACTUARIES SHARE INDICES

These indices are the joint compilation of The Financial Times, The Institute of Actuaries and the Faculty of Actuaries in Edinburgh

Figures in parentheses after sectional names show number of stocks.

EQUITY GROUPS — GROUPS & SUB-SECTIONS	Mon. Nov. 1, 1971 Index No.	Day's Change %	Est. Earnings yield % (with 40% Corporation Tax)	Est. Price/Earnings Ratio	Div. yield %	Friday Oct. 29 Index No.	Thurs. Oct. 28 Index No.	Wed. Oct. 27 Index No.	Tues. Oct. 26 Index No.	Year ago (approx.) Index No.	1971 High	1971 Low	Since compilation High	Since compilation Low
CAPITAL GOODS GROUP (184)	156.84	−0.7	6.09	16.43	3.82	167.92	158.60	168.38	156.02	123.60	162.00 (14/9)	105.05 (2/3)	181.50 (19/9/68)	92.92 (25/6/62)
Aircraft and Components (3)	131.71	−0.8	8.05	12.43	4.74	130.72	131.17	139.43	122.55	105.01	162.43 (27/10)	66.40 (3/3)	280.12 (23/9/62)	66.40 (3/3/71)
Building Materials (29)	166.26	−0.6	4.78	20.92	3.31	166.27	168.30	165.87	163.83	103.13	167.53 (14/10)	92.30 (2/3)	167.98 (20/9/62)	86.01 (25/6/62)
Contracting and Construction (20)	267.84	−1.3	5.22	19.17	9.30	271.54	272.65	269.40	987.62	190.40	272.08 (14/10)	162.63 (26/3)	278.08 (14/10/71)	64.38 (27/6/62)
Electrls. (ex. Elctrn. Rad. & TV) (13)	267.71	−0.4	5.29	18.90	3.10	268.67	271.48	279.23	264.88	209.68	285.23 (10/9)	174.62 (2/3)	335.11 (17/9/68)	84.71 (26/6/62)
Engineering (79)	138.29	−0.7	6.91	14.47	4.67	139.28	139.84	162.99	138.66	121.61	149.28 (28/7)	102.56 (2/3)	160.85 (18/9/68)	82.90 (26/6/62)
Machine Tools (15)	62.68	−0.5	7.72	12.95	6.39	63.02	63.27	62.67	61.81	62.67	68.30 (13/5)	43.86 (5/3)	136.70 (14/7/66)	43.86 (5/3/71)
Miscellaneous (25)	139.25	−1.5	7.64	16.09	4.30	134.20	134.69	133.45	161.31	116.64	136.20 (14/9)	94.19 (2/3)	144.27 (31/1/69)	69.01 (3/11/65)
CONSUMER GOODS (DURABLE) GROUP (57)	175.62	−1.0	4.33	23.11	2.86	178.34	179.81	178.67	175.89	136.27	186.09 (23/9)	117.33 (2/3)	197.87 (15/1/69)	79.12 (25/6/62)
Electronics, Radio and TV (14)	180.89	−1.0	4.09	24.45	2.43	182.70	186.35	183.01	179.79	150.34	199.14 (23/9)	128.51 (2/3)	189.86 (19/9/68)	71.10 (6/11/66)
Household Goods (15)	205.70	−0.4	6.74	17.43	3.24	206.59	206.15	203.89	202.28	131.09	207.22 (15/10)	116.92 (8/3)	207.22 (15/10/71)	86.65 (26/6/62)
Motors and Distributors (28)	123.20	−1.2	4.17	23.96	3.47	124.74	123.20	125.65	123.27	91.70	126.82 (28/10)	75.91 (2/2)	170.59 (16/9/68)	76.82 (24/10/62)
CONSUMER GOODS (NON-DURABLE) GROUP (174)	159.90	−1.2	5.64	17.72	3.82	161.84	169.55	163.29	160.74	122.83	172.37 (14/9)	118.17 (3/4)	172.37 (14/9/71)	83.71 (2/11/66)
Breweries (21)	182.13	−0.5	5.52	18.13	3.53	186.04	188.49	182.70	178.45	129.97	205.23 (14/9)	123.30 (4/1)	205.23 (14/9/71)	80.30 (30/8/68)
Wines and Spirits (7)	158.97	−1.5	6.38	15.68	4.41	161.40	160.80	163.70	158.93	138.79	196.05 (14/7)	142.41 (4/1)	196.05 (14/7/71)	118.78 (16/6/70)
Entertainment and Catering (15)	224.86	−2.2	5.77	17.62	3.24	229.96	262.55	232.59	231.34	177.19	241.53 (18/10)	177.09 (2/3)	241.63 (19/10/71)	80.11 (23/7/62)
Food Manufacturing (24)	140.32	−1.2	5.73	17.46	3.87	142.06	142.42	141.94	141.94	108.65	142.52 (14/9)	99.74 (2/3)	171.54 (31/1/69)	65.98 (15/6/70)
Food Retailing (17)	153.00	−1.7	5.25	19.04	3.32	166.66	156.04	166.20	164.67	103.72	160.89 (25/9)	100.23 (2/3)	163.69 (7/8/62)	94.62 (27/10/70)
Newspapers and Publishing (15)	153.90	−0.1	5.64	17.74	4.87	154.00	154.72	152.35	161.98	111.62	165.23 (2/10)	101.66 (13/1)	184.86 (23/1/68)	21.74 (23/1/62)
Packaging and Paper (16)	112.02	−1.0	6.89	14.52	4.64	113.10	113.96	115.01	119.69	107.63	125.27 (3/9)	88.21 (2/3)	134.63 (2/1/69)	27.21 (25/6/62)
Stores (29)	152.99	−1.0	4.47	22.38	3.10	154.59	155.54	156.93	164.34	108.97	164.88 (24/9)	104.48 (2/3)	164.88 (24/9/71)	72.74 (5/11/66)
Textiles (21)	165.21	−1.6	5.35	16.75	5.33	128.66	169.90	172.88	168.93	141.55	183.27 (7/8)	137.81 (2/3)	283.72 (17/9/68)	99.90 (20/7/62)
Tobacco (3)	209.94	−2.2	10.40	9.69	6.29	214.66	217.90	214.65	210.56	196.27	254.47 (27/7)	170.92 (20/1)	605.02 (30/1/69)	94.34 (15/6/62)
Toys and Games (6)	62.94	+1.2	0.75	—	2.93	61.92	53.14	33.92	63.10	55.80	69.03 (12/1)	44.90 (9/9)	135.72 (16/1/70)	44.00 (8/9/71)
OTHER GROUPS														
Chemicals (19)	175.62	−2.4	5.64	17.72	3.74	179.76	180.67	181.85	172.36	141.32	200.29 (7/8)	138.12 (10/2)	201.02 (31/1/69)	23.28 (15/6/62)
Office Equipment (10)	171.10	−0.8	3.84	26.04	1.74	172.44	172.08	173.66	174.66	147.78	212.05 (16/7)	153.58 (15/2)	212.05 (16/7/71)	109.12 (26/5/70)
Shipping (10)	320.61	−0.5	8.29	12.06	8.16	322.19	326.05	327.12	324.08	311.10	332.60 (7/8)	269.76 (18/4)	355.44 (9/10/70)	80.80 (29/6/62)
Miscellaneous (unclassified) (44)	195.13	−0.4	5.37	12.91	6.52	196.01	196.66	195.79	196.09	139.99	197.62 (19/10)	129.66 (2/3)	197.62 (19/10/71)	76.52 (8/11/66)
INDUSTRIAL GROUP (498 SHARES)	166.80	−1.1	5.58	17.91	3.66	168.07	168.85	169.13	166.74	—	176.61 (14/9)	120.61 (2/5)	176.61 (14/9/71)	120.61 [illegible]
Oil (2)	313.28	−2.6	6.28	16.29	4.01	320.49	692.66	624.73	322.64	983.75	363.60 (27/7)	260.74 (2/3)	431.66 [illegible]	97.23 [illegible]
500 SHARE INDEX	178.77	−1.6	5.69	17.59	3.71	181.10	121.99	182.42	190.05	142.55	190.63 (8/9)	132.45 (2/3)	193.75 (31/1/69)	84.86 [illegible]
FINANCIAL GROUP (121)	166.03	−1.8	—	—	2.93	162.06	169.36	169.56	167.48	119.22	178.49 (24/9)	110.73 (10/2)	178.49 (24/9/71)	69.38 (30/6/62)
Banks (6)	168.14	−1.3	8.30	12.04	3.06	168.28	160.16	170.19	167.36	103.27	199.94 (27/7)	101.65 (6/1)	129.94 (27/7/71)	69.25 (16/6/64)
Discount Houses (6)	184.05	−2.4	—	—	4.30	188.64	194.30	200.15	200.77	122.15	201.96 (14/10)	130.72 (18/1)	201.06 (14/10/71)	27.65 (17/6/69)
Hire Purchase (6)	276.67	−1.1	4.60	21.74	2.73	279.71	280.49	279.47	279.37	185.91	306.24 (8/9)	122.67 (18/1)	306.24 (8/9/71)	80.02 (3/6/66)
Insurance (Life) (9)	148.66	−1.1	—	—	3.07	160.15	152.04	161.73	146.96	123.08	170.47 (20/3)	123.16 (18/1)	170.47 (20/9/71)	61.35 (30/3/66)
Insurance (Composite) (9)	127.04	−9.0	—	—	3.49	182.63	132.94	132.68	131.07	86.13	140.27 (23/9)	29.80 (10/2)	140.27 (23/9/71)	64.40 (16/3/66)
Insurance (Brokers) (11)	172.87	−1.1	6.10	12.61	2.22	174.21	173.92	173.45	172.26	119.29	187.56 (27/9)	112.27 (4/1)	127.56 (27/9/71)	82.59 (24/7/69)
Investment Trusts (20)	183.21	−0.2	3.08	32.45	2.92	184.60	184.12	184.52	183.20	155.43	202.33 (2/8)	152.16 (2/3)	215.04 (31/1/69)	80.84 (28/6/62)
Merchant Banks, Issuing Houses (14)	170.84	−2.2	—	—	2.28	174.51	174.90	176.64	174.02	125.17	187.24 (24/9)	108.44 (15/3)	127.24 (24/9/71)	50.47 (15/7/66)
Property (31)	219.59	−0.3	2.77	36.10	2.26	220.24	220.53	220.34	219.08	156.99	226.78 (26/8)	132.37 (2/3)	226.72 (26/8/71)	56.01 (20/4/65)
Miscellaneous (9)	187.92	−0.4	5.48	18.26	4.07	188.76	190.33	191.13	197.98	—	193.75 (19/10)	120.73 (4/1)	193.75 (19/10/71)	190.06 (31/12/70)
ALL-SHARE INDEX (621 SHARES)	175.61	−1.3	—	—	3.56	177.75	178.75	179.12	176.23	136.45	187.32 (2/9)	120.47 (2/3)	197.32 (8/9/71)	23.72 (26/6/62)
COMMODITY SHARE GROUPS (Not included in the 500 or All-Share indices)														
Rubbers (10)	247.98	−0.9	9.61	10.40	7.34	250.16	848.32	249.16	243.60	150.09	257.50 (14/10)	163.62 (7/4)	257.50 (14/10/71)	84.68 (25/8/65)
Teas (10)	103.30	+0.2	16.17	6.18	8.67	103.14	103.57	102.79	102.66	81.50	103.67 (28/10)	79.71 (3/3)	114.84 (14/6/64)	69.96 (14/11/66)
Coppers (4)	230.04	−0.2	73.89	1.35	21.48	230.59	238.08	242.27	242.67	236.20	360.50 (13/7)	230.04 (1/11)	360.50 (12/7/71)	94.08 (29/4/62)
Mining Finance (11)	72.38	−2.2	7.12	14.05	4.59	74.03	75.71	74.95	73.38	119.53	106.78 (7/7)	72.38 (1/11)	175.90 (28/4/69)	72.38 (1/11/71)
Tins (8)	71.84	−0.3	11.00	9.09	8.37	72.02	73.46	73.16	72.27	67.10	74.77 (20/7)	62.11 (4/1)	106.97 (29/6/66)	54.83 (27/5/70)

FIXED INTEREST	Monday, Nov. 1 Index No.	Yield %	Friday Oct. 29	Thurs. Oct. 28	Wed. Oct. 27	Tuesday Oct. 26	Monday Oct. 25	Friday Oct. 22	Year ago (approx.)	1971 High	1971 Low	Since Compilation High	Since Compilation Low
Consols 2½% yield	—	8.75	8.71	8.17	2.66	8.52	8.69	8.52	9.68	—	—	—	—
20-yr. Govt. Stocks (6)	85.03	‡7.67	85.48	85.95	85.89	85.22	95.14	85.78	71.53	86.57 (13/10)	70.20 (4/1)	118.42 (11/9/63)	68.43 (15/6/70)
20-yr. Red. Debentures & Loans (15)	79.23	‡9.28	79.53	79.58	79.44	72.66	78.71	79.75	70.82	79.83 (21/10)	68.42 (4/1)	116.43 (23/10/63)	86.59 (18/6/70)
Investment Trusts Prefs. (15)	79.91	9.34	79.62	72.32	78.79	78.79	78.78	78.78	69.43	79.32 (22/10)	66.23 (11/1)	114.41 (13/9/63)	66.23 (11/1/71)
Commercial and Industl. Prefs. (20)	85.46	9.02	85.94	85.64	85.64	85.59	85.48	85.47	76.85	85.84 (29/10)	62.02 (13/1)	114.41 (7/10/63)	69.02 (13/1/71)

Section or Group	Base Date	Base Value
[illegible] Manufacturing	29/12/67	114.13
[illegible] Retailing	29/12/67	114.13
[illegible]rance Brokers	29/12/67	96.67
[illegible]ng Finance	29/12/67	100.00
[illegible]s and Spirits	16/1/70	144.76
[illegible] and Games	16/1/70	135.72
[illegible] Equipment	16/1/70	162.74
Industrial Group	31/12/70	128.20
Miscellaneous Financial	31/12/70	128.06
All Other	10/4/62	100.00

‡ Redemption yield.

F.T.-Actuaries indices are calculated by Extel-Communications Limited (a member of the Exchange Telegraph Group) on an IBM 360 computer.

CONSTITUENT CHANGE: Henry (A. and S.) (Stores) has been replaced by Standard Tyre (Motors and Distributors).

NEW "HIGHS" AND "LOWS" FOR 1971

The following securities (number in parentheses) among those quoted in London Closing Prices yesterday attained new "highs" and "lows" for 1971:—

NEW "HIGHS" (70)

BRITISH FUNDS (4)
Excheq. 6½pc 1973 — Cnv. 5¼pc 1974
Treas. 5¼pc 1973 — Treas. 5½pc 1974

FOREIGN BONDS (1)
Japan 6pc 83-88

BANKS (3)
Brit. Bkg. Com. — Western Credit
Minster Assets

BEERS (1)
Assoc. Brit. Malsters

BUILDINGS (4)
Comben Wakeling — McLean J.L.
Limmer Hldgs. — Val de Travers

CINEMAS (2)
British Lion — Granada A

DRAPERY AND STORES (3)
Lovey J.J. — Stone-Dri
Readicut

ELECTRICALS (5)
Aerialite — Stanwood Radio
Dowding Mills — Ward Goldstone
M.E.M.

ENGINEERING (7)
Amari — Newman Granger
Brickhouse Dudley — Norris Warming
Ellis (Kensington) — Young Austen Young
Falkes-Hefo N/V

FOODS (2)
Goldrei Foucard — OP Chocolate

INDUSTRIALS (12)
Arenson (A.) — Lancaster Carpets
Pracks — Magnolia Mnfg.
Chamberlain Phipps — Pauls Whites
Coral (J.) — Reed Intl.
Galley Group — Tissus Michels
Kennedy Smale — "W" Ribbons

MOTORS (1)
Brit. Car Auction

NEWSPAPERS (3)
Collins (William) — Morgan-Grampian
Do. A

PAPER PRINTING (3)
British Printing — L. and G. Poster
Capseals

PROPERTY (8)
Ashworth Steward — Invst. Co.
Dorrington — Lon. City Westclif
Green (R.) Props. — Oddenino's
Guardian Props. — Prop. Hldgs. Invest.

SHOES (2)
Newbold Burton — Hepworth 6

TRUSTS (4)
Anglo Int. Div. — Estates Gen.
L.M.I.T. — Knitan Invest.

RUBBERS (3)
Craigielea — London Sumatra
Straits Rubber

MINES (2)
Southern Malayan — Sungei Besi

CANADIANS (3)
Hollinger — White Pass
In. Nickel

ELECTRICALS (2)
Philips' Lamp — Reyrolle Parsons

ENGINEERING (1)
Desoutter

INDUSTRIALS (3)
Broken Hill Prop. — Pitney Bowes Ln.
Photo-Me

SHOES (1)
Rayne (N. M.)

SOUTH AFRICANS (3)
Jessel Props. — S.A. Brews.
O.K. Bazaars

STEELS (1)
Grangesberg

TEXTILES (1)
Tellin

TRUSTS (3)
Gall Hall Tst. — Whan Invest. B
Tor Invest. Cap

OILS (1)
Texaco 4¾pc Cov.

MINES (18)
Blyvoor — De Beers Dfd.
West Wit. — Tanganyika Cons.
Arplo-Vaal — Wankie Colliery
Charter Cons. — Eastmet Minerals
Cons. Gold Fields — Gold Mining Explo.
Jerduld Invest. — Western Mining
New Wit. — Geevor
Selection Tst. — St Piran
Vereeniging — Rio Tinto-Zinc

NEW "LOWS" (41)

FOREIGN BONDS (1)
Uruguay 3½pc

AMERICANS (3)
Assoc. Spring — U.S. Steel
Kaiser Aluminium

RISES AND FALLS YESTERDAY

	Up	Down	Same
British Funds	4	35	10
Corps. Dom. and Foreign Bonds	5	34	94
Industrials	306	524	898
Financial & Prop.	68	233	240
Oils	3	11	16
Plantations	9	8	71
Mines	15	57	107
Recent Issues	7	31	96
Totals	417	933	1,532

ACTIVE STOCKS

Prices in pence except where otherwise indicated.

Stock	Denomination	No. of marks	Closing price	Change on day	1971 high	1971 low
A. B. Maltsters	25p	23	140	+28	140	45½
Brit. Petrol. New	Nil pd.	21	*61	−16	*128	*61
Imp. Chem. Inds.	£1	18	289	−9	335	230
Slater Walker	25p	16	272	−15	312	192½
Trust Hses. Forte	25p	16	134	+1	178	116
Burmah Oil	£1	15	364	−24	477	297½
Brit.-Am. Tobacco	25p	14	303	−6	391	265
British Lion	25p	14	68	+13	74	27
Ultramar	25p	13	230	−9	310	166
GEC	25p	11	147	−1	162	90
House of Fraser	25p	11	213	−1	226	107½
Laporte	50p	11	102	+2	148	82
Lonrho	25p	11	59	+3	113	48
Marks & Spencer	25p	11	279	−5½	331	194¾
Unilever	25p	11	289	−4	340	215

* Premium.

The above list of active stocks is based on the number of bargains recorded yesterday in the Official list and under Rule 163(1)(e) and reproduced to-day in Stock Exchange dealings.

Option Report and three-month "Call" rates

OPTION DEALING DATES

First Dealings	Last Dealings	Last Declaration	For Settlement
Oct. 26	Nov. 8	Jan. 27	Feb. 8
Nov. 9	Nov. 22	Feb. 10	Feb. 22
Nov. 23	Dec. 6	Feb. 24	Mar. 7

Trading was quieter yesterday in the Option market. Stocks dealt in for the "call" were Dunlop, Industrial Contract Cleaners, Slater Walker, Bond Worth, Holt Products, Union Corporation, Mining Supplies, International Stores, Ultramar, ICI, Tissus Michels, Ellis and Co. (Richmond), Redland, Leeds Assets, Trust Houses Forte, Eldridge Stapleford, British Leyland, Oddenino's, CAST, Lonrho, Inveresk Paper and Cadbury Schweppes.

A "put" was arranged in J. H. Vavasseur, while "doubles" were completed in Beecham and Trust Houses Forte.

Prices in pence unless otherwise stated.

Industrials — Mines

REGIONAL MARKETS

BELFAST — IRISH EXCHANGE — NORTHERN EXCHANGE — MIDLANDS & WESTERN — SCOTTISH EXCHANGE

SPECIAL LIST

NOVEMBER 1 (3)

RULE 163 (1) (e)

Bargains marked under Rule 163 (1) (e) in securities for which quotation has not been granted and which are not recorded in the Official List.

NOVEMBER 1

CORAL INDEX
Close 399-404

MINES — Australian (54) — Miscellaneous (201) — West African (9) — Diamond (34) — Rhod. & E. African (53) — South African (333) — OIL (1,234) — PROPERTY (446) — RUBBER (79) — SHIPPING (101) — TEA & COFFEE (22) — TELEGRAPHS & TELEPHS. (1) — TRAMWAYS & OMNIBUS (4) — WATERWORKS (11)

UCS men call for more strikes

BY ANDREW HARGRAVE, SCOTTISH CORRESPONDENT

GLASGOW, Nov. 1.

UPPER Clyde shop stewards to-day called for token strikes throughout Scotland on November 24, day of the Trades Union Congress's mass lobby of the House of Commons, to revive what they fear to be flagging interest in their fight to retain all four UCS divisions and the labour force.

At a mass meeting attended by over 500 West of Scotland shop stewards, they also appealed for funds—the "work-in," now in its fourth month, is costing between £8,500 and £9,000 a week—and asked the Scottish TUC to call a "convention of the Scottish people" before the end of the month.

The mass meeting unanimously endorsed the strike decision. The duration of the stoppages—a couple of hours, half a day or the whole day—is apparently left for the individual factories, workshops or yards to decide. There have already been two such mass token strikes since UCS went into liquidation in June.

In addition, two or three trainloads of Clydeside workers will leave for London the night before to take part in the mass lobby, which will be supported by many of the 250,000 engineering workers in London following a call for maximum support from the London district committee of the Confederation of Shipbuilders and Engineering Unions.

Mr. James Reid, spokesman for the UCS shop stewards, confirmed that there would be "no negotiations or meaningful discussions" with the Government-backed Govan Shipbuilders in the absence of proposals covering all four UCS divisions and the labour force.

Plessey 'sit-in'

An appeal was also made at the meeting for help, including financial support, for the 220 workers engaged in a "sit-in" at Plessey's Alexandria, Dunbartonshire, factory for nearly 10 weeks.

The factory, taken over by Plessey from the Ministry of Defence only last autumn, was closed by the company, with redundancies to over 700 workers.

Rolls-Royce engine strike over pay offer at Bristol

ABOUT 5,000 manual workers at the Rolls-Royce Bristol engine division went on strike yesterday after a mass meeting rejected the management's latest pay offer. They will meet again this morning.

Their strike follows a series of regular weekly walkouts over a claim for a 15 per cent. cost-of-living award, which would mean a £5-a-week increase for skilled men.

The management, who on Friday gave a warning that workers would be laid off if a work-to-rule affected production, have offered a wage increase of £1.50 for all workers, 50p of which will be offset against any future national agreement.

Mr. John Blackley, works convener, told the meeting: "We have the choice of either going on strike or returning to normal work." He added that if the company wanted an honourable return to work it should give them the conditions to allow it to be done.

Two clauses in the management's offer were unacceptable, said Mr. Blackley. These were that a third of the pay offer should be offset against any forthcoming national settlements and that there should be an agreement to peg further rises for a year.

Rolls-Royce workers at East Kilbride have called off their threatened strike over a recruitment dispute. Peace moves were agreed after two informal meetings between management and shop stewards. The row will be discussed at a special conference between union officials and Scottish Engineering Employers Association representatives to-day.

Pit overtime ban goes too far, says union

SOME Yorkshire miners were cautioned by their union leaders yesterday for being over-zealous in supporting the national overtime ban which began yesterday in support of their pay claim.

Miners at about 12 Yorkshire pits who were operating a complete overtime ban, despite the recommendation from the National Union of Mineworkers that safety precautions should operate at all times, were told to "toe the line" by Mr. Sidney Schofield, area general secretary.

Mr. Schofield said following a meeting of the area executive yesterday that they wanted to maintain unity in the coalfield in order to get full support for the official strike ballot which is due to take place later this month.

The exact effect of the overtime ban on production will not be known for several weeks, but it is thought that production, currently running at about 3m. tons a week, will be cut by between 15 and 20 per cent.

Seamen's peace formula

THE Dover branch of the National Union of Seamen yesterday suggested a peace formula in the dispute which has halted British Rail ferries at Dover and Folkestone.

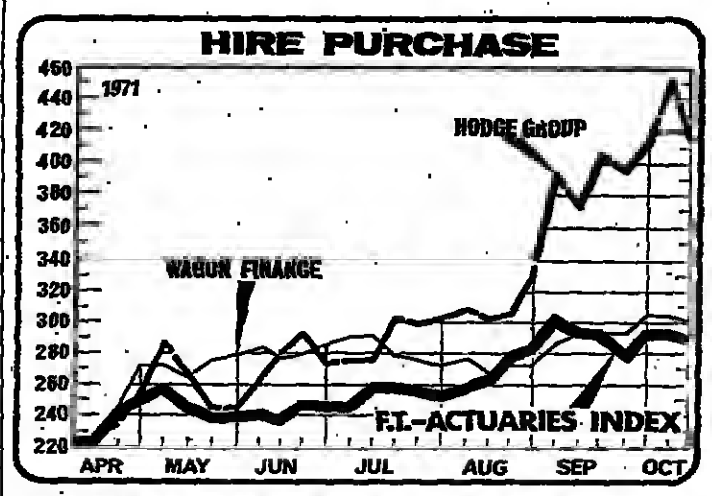
The men proposed a joint working party, with an impartial chairman, to discuss the manning of the Shepperton Ferry, which was the cause of the dispute. They want to end a 12-month-old agreement cutting the crew on the ferry by five men on each of three shifts. Their offer asks British Rail to accept the crewing strength as it stood before the agreement.

British Rail's reply will be discussed by the men to-morrow, and until then the stoppage continues.

REDUNDANCY AT MARCONI PLANT

Forty employees at the Sanders division of Marconi Instruments in Gunnels Wood Road, Stevenage, Herts., which makes microwave equipment, have been made redundant.

Twenty workers at the Towgood and Beckworth paper mills in Helpston, nr. Peterborough, are to lose their jobs this week-end.



Hire Purchase issues lost some of their upward momentum following publication of the Bank of England's guidelines on competition and credit control early in September. Up to that time, the F.T.-Actuaries share index for the sub-section had recorded a good rise (61 per cent. since the start of the year) on the back of the Government's moves to combat inflation. The gain has since been reduced to 47 per cent., but this still compares favourably with a rise of 30 per cent. over the same period in the All-Share index.

These charts show the pattern of an F.T.-Actuaries index and of prices of two constituents converted to index numbers at weekly intervals over about six months, starting from the same base.

SHARE INFORMATION SERVICE: NOTES

Denominations are 25p unless otherwise indicated.

Yields allow for value of declared distributions and rights and are based on middle prices.

... dividend passed or deferred. c Canadian. E Figures based on prospectus or other official estimates for 1971-72. F Figures based on prospectus or other official estimates for 1970. G Assumed dividends ...

F.T. SHARE INFORMATION SERVICE

BRITISH FUNDS

1971 High	1971 Low	Stock	Closing Price £	+ or —	Gr'ss Y'ld pc Interest £	Gr'ss Y'ld pc Redemption £
		"Shorts" (Lives up to Five Years)				
100	96	Conv. 6pc 1972	100	......	5.97	4.48
99	96½	Gas 4pc 69-72	99	......	4.02	4.72
101	98	Exchequer 6½pc. 1972	101	......	6.17	4.65
102	98	Exchequer 6¾pc 1973	102	+⅛	3.59	4.63
97	92	Electric 3pc '68-73	97	......	3.08	4.91
97	92	Transport 3pc '68-73	97	......	3.08	4.91
99	93¼	Treas. 5¼% 1973	82	+	5.25	5.23
99	93⅞	Conv. 6¼pc 1874	92	+	5.30	5.59
99	93	Treas. 5½% 1974	89	+⅛	6.53	3.64
102	96	Treasury 6¾pc 1874	102	......	6.57	5.78
92⅞	84	Savings 3pc '65-75	92	......	3.23	5.87
100	98	Treasury 6pc 1975	99	—	2.01	3.03
101	95	Exch. 6¼pc 1976	101	—	3.43	8.28
101	93½	Treasury 6¼pc 1976	101	—	6.45	6.24
100	94¾	Victory 4pc 1876	97⅛	—⅛	4.11	5.30
		Five to Fifteen Years				
99½	97¼	Funding 4pc 60-90	87⅛	......	4.10	5.08
101	98	Treas. 6½% 1977	100¼	—⅛	6.99	6.38
21	85	Electric 3pc 1974-77	90	—½	3.65	5.24
92	21	Transport 4pc '72-77	91¼	—½	4.45	6.01
87⅝	82⅜	Exchequer 5pc '76-78	23	—⅜	5.41	6.63
89⅛	75	Electric 4½pc '74-79	88¼	—½	4.84	6.22
85	70¾	Do. 3½pc '76-79	83¾ xd	—⅜	4.17	2.06
65¼	63⅛	Treasury 3½pc '77-80	64¼	—½	4.22	6.07
93⅞	76⅞	Funding 5¼pc '78-80	92¾	—½	3.78	6.67
92⅝	67¾	Treasury 3½pc '79-81	91½	—⅜	4.34	3.93
107¼	92⅝	Do. 8¼pc '80-82	106	—¼	8.22	7.91
90	71	Funding 5½pc '82-84	29½	—¼	6.26	6.99
105⅝	80¼	Treasury 8½pc '84-86	104¼	—½	8.56	8.29
		Over Fifteen Years				
89⅞	76	Funding 6½pc '85-87	87	—½	7.47	7.97
63½	47⅝	Transport 3pc '78-88	69	—½	4.92	7.00

INTERNATIONAL BANK

CORPORATION LOANS

COMMONWEALTH AND AFRICAN LOANS

PUBLIC BOARD AND OTHER LOANS

Corporation Short-dated Bonds

FOREIGN BONDS & RAILS

London U.S. Dollar and DM Issues

AMERICANS

CANADIANS

1971 High	1971 Low	Stock	Closing Price p	+ or —	Div. Net amount	Times Covered	Gross Yield %
440	270	Abitibi Paper‡	285	+10	—	—	—
832	700	Bk. Montreal ($2)	752	—1	77c	—	4.3
£14½	£10⅛	Bk. Nova Scot.($2)	£13⅛	......	84c	—	2.7
£14¾	750	Bow Valley‡	£11⅞	—⅛	10c	—	0.3
£10⅛	755	Brascan‡	820	—5	31.0	—	5.1
372	282	B.P. Oil & Gas‡	284	+9	—	—	—
£13¾	£43¾	Can. Imp. Bk. ($2)	£10	......	69c	†—	2.7
716	60	Can. Pacific ($5)	693	—5	65c	—	4.3
125	83¾	4pc N. Cum. P.($5)	100	—1	4	—	6.0
£44	£37½	4pc Deb. £100)	£43¼	......	4	—	9.2
620	235	Cons. Bathurst‡	290	—5	♦$1	—	14.4
£13½	£10	Gulf Oil Can.‡	£11⅞	......	37	—	9.0
185	85	Hawker Sid. Can.‡	100	+3	—	—	—
£21	£16	Hollinger ($5)	£16⅝	—⅜	$1.20	†—	3.0
£10½	735	Hudson's Bay‡	833	—10	52c	—	2.3
£24½	£16	Hud. B. Oil G.($2½)	£12⅞	......	30c	—	1.0
£15	765	Imasco	830	+6	80c	—	4.0
£15½	920	Imperial Oil‡	£14¼	+⅜	52½c	—	1.3
*670	528	Inl. Nat. Gas $1	565	+10	50c	—	3.7
£32	£12⅝	Int. Nickel‡	£12⅜	—⅜	$1.60	—	5.0
845	450	Massey Ferg. ‡	460	+10	31	—	!
£17⅞	£13½	Pacific Petrol ($1)	£14⅝	......	30c	—	0.8
80	47	Place Gas ($1)	47	......	—	—	—
£11	585	Rio Algom‡	630	+30	40c	—	2.7
£13	£11	Royal Bk. Can. ($2)	£12½ xd	—	88c	—	3.0
145	60	Steep Rock ($1)	90	......	15c	—	8.9
£13¾	545	Tor. Dom. Bk. ($2)	£11⅞	+½	68c	†—	2.4
£18¼	£14¾	Trans.Can.Pipe($1	£16⅝	......	$1	—	9.3
£13½	£10⅝	Westcoast‡	£11⅝	+½	50c	—	1.9
300	325	White Pass‡	385	—55	25c	—	2.3

S.E. List Premium 22½% (based on $2.5067 per £)

BANKS AND HIRE PURCHASE

†† Banks, etc.

Hire Purchase, etc.

BEERS, WINES AND SPIRITS

BUILDING INDUSTRY, TIMBER & ROADS

BUILDING INDUSTRY—Continued

For Jackson (DT) see Francis Parker under "Recents"

CHEMICALS, PLASTICS, ETC.

CINEMAS, THEATRES AND TV

DRAPERY AND STORES

DRAPERY AND STORES—Continued

ELECTRICAL AND RADIO

ENGINEERING AND METAL

ENGINEERING AND METAL—Gen. Cont.

For Hattersley Sucland see Sucland Group

FOOD, GROCERIES, ETC.

For Reckitt & Colman see under Inds. (Misc.)

HOTELS AND CATERERS

HOTELS AND CATERERS—Continued

INDUSTRIALS (Miscel.)

"Recent Issues" and "Rights" Page

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INDUSTRIAL (Miscell.)—Continued

1971 High	1971 Low	Stock	Closing Price pence	+ or —	Div. Net Amount	Times covered	Gross yield	P/E Ratio
71	45½	Inclesdon Lamb.	70	+1	15	1.0	5.4	18.9
60	18	Ind.C.C'ns (10p	25	——	6	1.8	2.4	23.7
76	45	Initial Services	71½	+½	15	1.4	6.5	13.9
285¾	285¾	Inter-City (20p)	285¾	——	d5	1.0	3.5	29.6
175	103	IntCompact'n	114	——	11½	11.5	9.9	7.6
140	109	Int. Time Rec.	132	—2	d20	2.4	5.5	13.1
30	13	Jacks (Wm.)	25	—1	—	—	—	—
37½	23	James (John)	35	——	d12	10.8	8.5	13.8
49½	20	James (M.)(10p)	20	—6	d20	5.5	10.0	3.0

††INSURANCE

1971 High	1971 Low	Stock	Closing Price	+ or —	Div. % or amount	Times covered	Gross yield %	P/E Ratio
502	357½	Bowring (C.T.)	485	—7	32	2.6	1.9	18.8
102	63¾	BrentnallBd 10p	102	——	634	1.7	3.3	18.0
252	190	Britannic 5p	218	—5	1135	—	3.8	—
422	320	Comm. Union	435	—7	†31	—	3.3	—
497	271¼	Eagle Star (50p)	418	—8	124	—	2.9	—
290	250	Economic	280	—10	45	—	4.0	—
350	213	Equity&Law 5p	288	—8	110	—	1.9	—
302	210	Excess	257	—5	33	—	3.7	—
96	62½	Fenchurch (10p)	82	—1	45	1.2	5.5	16.8

PROPERTY—Continued

1971 High	1971 Low	Stock	Closing Price pence	+ or —	Div. Net Amount	Times covered	Gross yield %	P/E Ratio
148	95	Berkeley Prop.	138½	+1½	13	1.7	2.7	21.4
160	104	Bradford Prop.	160	——	25	1.2	4.1	15.4
143½	70½	British Land	127½	—3	d11	1.0	2.4	40.4
120	67½	Brixton Estate	113	—½	†12½	1.4	9.8	34.7
107½	61	Capital & C'ties	93	——	†10	1.1	2.6	37.5
185	105	Cent. & Dist.10p	178	——	2½	1.0	2.5	38.2
88	54½	Centrovincial 20p	80	—1	12½	1.9	3.1	17.0
82	54½	Do. Cap. 20p	77	——	—	—	—	—
91	36½	Charlwood (10p)	87	——	13	1.1	1.9	47.3

TEXTILES—WOOL

1971 High	1971 Low	Stock	Closing Price pence	+ or —	Div. % or Amount	Times covered	Gross yield %	P/E Ratio
24	38	Allied Textile	73	——	25	1.4	8.6	8.1
47	25	Blackwood M'tn	44½	——	12½	1.2	7.0	12.2
45	25	Brit. Mohair	28½	+½	†15½	0.6	:	—
371½	26	Bulm'rL mb20p	34	——	15	1.4	8.6	8.4
138	70	Carpets Int. 50p	133	——	13	0.9	4.9	23.0
65	15½	Crowther (J.)	53	—2	†2½	—	1.2	—
40	28	Dixon (David)	40	——	12½	1.2	7.8	7.0
31	22	Emsley (J.)	22½	——	—	—	—	—
37½	20	Extract Wool 50p	25	——	—	—	—	—
38½	24	Foster (John)	33	——	14	1.5	10.6	5.5

TRUSTS, FINANCE, LAND—Continued

1971 High	1971 Low	Stock	Closing Price pence	+ or —	Div. % or amount	Times Covered	Gross yield %	P/E Ratio
265	206	River Plate Def.	248	—5	37	1.1	3.7	24.3
£36	£31½	Robeco(Br) F150	£31¼	——	23.2	1.0	4.3	23.6
360	312	Do. Sub Sh's F15	312	——	23.2	1.0	4.3	23.3
226½	222	Rolinco N.V. F150	222	——	6	1.3	1.6	46.7
262	212	Do. Sub Sh's F15	220	——	6	1.3	1.6	48.7
93	69	Romney Trust	84½	—½	11	1.0	3.2	50.0
53	42	Rosedim Inc.	31	——	14½	1.0	7.1	13.9
178	129	Do. Capital	152	—1	—	—	—	—
425	287½	Rothschild Ini.£1	444	—5	d8½	1.1	1.9	49.1
64	52	Safeguard Ind.	62	——	13	1.0	6.0	12.8

TEAS—Continued

India and Pakistan (cont.)

1971 High	1971 Low	Stock	Closing Price p	+ or —	Div. % or amount	Times covered	Gross yield %
30	22	Scottish Assam (£1)	28	——	—	—	—
6¼	4	Singlo (10p)	5¼	——	—	—	—
52½	34	South'n India (£1)	36	——	2½	1.8	6.9
242½	175	Travancore (£1)	205	——	20	1.2	9.8
61	39	Warren Tea (£1)	39	——	5	1.6	11.5
59	45	West.Dooars (£1)	50	——	4	1.3	8.0
78	61½	Williamson (£1)	77	——	8	1.6	10.4

Ceylon

MACHINE TOOLS

MOTOR, AIRCRAFT TRADES

Motors and Cycles

Commercial Vehicles

Aircraft

Components

Garages and Distributors

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SISAL

TEAS

India and Pakistan

MINES—CENTRAL RAND

EASTERN RAND

FAR WEST RAND

O.F.S.

FINANCE

DIAMOND

PLATINUM

CENTRAL AFRICAN

AUSTRALIANS

TIN—EASTERN

TIN—NIGERIAN

TIN—MISCELLANEOUS

COPPER

1971 High	1971 Low	Stock	Closing Price	+ or —	Div.	Times covered	Gross yield
111	72	Esperanza (12½p)	73	+1	40	1.9	6.8
15½	10	Indian (10p)	11	——	11.1	5.0	10.1
296	204	Messina (Ro.50)	204	——	190	2.0	‡

MISCELLANEOUS

1971 High	1971 Low	Stock	Closing Price	+ or —	Div.	Times covered	Gross yield
11½	5	Burma Mine (11¼p)	6¾	——	—	—	—
36	17½	Cent. ProvMn(12½p)	25½	——	a12	ф	10.2
21	10	Charterhall (5p)	10½	+½	—	—	—
512½	180	Cons. Murch (10c)	195	——	†80c	2.1	‡
£851½	£15½	G. F. Mg. Ind. Db.	£283½	——	7½	40.7	c9.4
303	245	Northgate (C$1)	270	+5	60c	2.2	7.7
210	120	R.T.Z.	180	—8	24	1.8	5.5
430	37	Sabina Inds. (C$1)	53	——	—	—	—

For Notes, see Stock Exchange Dealings.

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THE LEX COLUMN

Index fell 6.0 to 403.8

Growth and cost elimination for Decca

The tone of the Decca chairman's AGM speech, forecasting a satisfactory profit increase to which "each division is expected to make a major contribution," certainly does nothing to discourage the hope of a full recovery from last year's £3m. pre-tax to the £5.3m. of 1969-70—though that would apparently require a hefty effort in the second half after a merely "maintained" first six months to September.

The problem in the first half is that one of last year's two trouble spots, records in the U.S., reports a "substantial" reduction in profits to date. Yet it would not do to underestimate the recovery potential in a second half "improvement" there, in the apparently booming U.K. experience, and above all in the virtual elimination of development costs for the company's civil air navigation system. It is worth recalling that all but £100,000 of last year's profit shortfall came in the second half.

The significance of the third point, cost elimination, is that 1969-70's peak profits were achieved despite the heavy drain, so that Decca should not need the exceptional contribution from records to manage £5m.-plus pre-tax. Meanwhile the radar companies are doing much better, and as for colour television, the profit breakthrough effect of scale production means that the consumer hardware division is now making a significant impact on the group as a whole. For perspective, a half-way recovery to £4.2m. pre-tax would indicate a p/e of 16 at 205p.

See also Page 30

Reed

Cum £300,000 from Twyfords, Reed's second quarter profits of £6.7m. pre-tax against £5.3m. may look a little disappointing to those who saw £1.6m. of recovery potential in IPC alone. In fact, IPC has done better than that, despite the fact that the whole cost of the September newspaper stoppage—£650,000 or more—has been charged against revenue. The problem areas were forest products in Canada, reflected in a drop in the overseas contribution from £2.1m. to £1.3m., and papermaking at home; here it looks as if the pre-IPC Reed group has turned in lower profits overall despite good results in packaging and building products.

This sort of pattern should continue into the second six months with a massive IPC recovery the driving force behind a profits rise from £19.9m. to between £27m. and £28m. pre-tax for the year. Both this and indicated earnings of between 16½p and 17p a share may be slightly behind hopes raised by the first quarter figures. But the general realisation that there are more ladders than snakes on Reed's board is still helping the shares, up another 3p to 253p yesterday for a prospective p/e of just under 15.

See also Page 28

Giltspur/Maltsters

Giltspur's approach to Associated British Maltsters—with a mooted bid of around 135p per share—may be no more than an attempt to dilute the image of its casino power house. But it represents a radical change of direction, with its market capitalisation of £17.7m. against a suggested bid valuation of £10.3m.; and it has left it a little late if it wanted to catch ABM in the trough. The latter's 1970-71 earnings may be up from 4.9p to around 8p per share after losses of around 1p per share on engineering, now disposed of.

An exit p/e of around 15 may be adequate enough given that malting is no dazzling growth situation. The speculative fizz is in ABM's current property revaluation, with one Southwark property in the books at a pre-war value of £300,000, and from the brewers' possible reaction to the thought of a major raw material supplier being tied up in Mr. Maxwell Joseph's stable.

See also Page 29

Hepworth

Hepworth's 1970-71 profits are £444,000 higher at £2.52m. pre-tax: the feature is the way growth was spread evenly through the year despite the fact that nearly all 1969-70's increase came in the second half and that, as a result, sales growth last year tailed back from 23 per cent. in the first six months to 14 per cent. in the second. Ready-to-wear sales are upwards of 30 per cent. higher, taking the split with tailoring to very nearly 50:50 against 45:55 last time and roughly ⅓:⅔ five or six years ago. Apart from boosting profits per shop—there were just 5 new opening last year and 2 closures—this also helps to iron out the seasonal bumps in manufacturing made-to-measure. Meanwhile credit sales remain strong, and are nowhere near saturation point at well under 40 per cent. of the total.

So these figures are at least as good as sensible expectations and they needed to be. Three years of marked relative strength in the share price fizzled out around mid-summer, but the past month has brought a 9 per cent. rise. A p/e of 22.4 at 397p recognises a developing management situation with, for example, a major warehouse development to come over the next two or three years, and is able to ignore the possible short-term impact of a mild autumn.

See also Page 28

British Printing

With a first half depressed by further publishing losses, the postal strike and the generally depressed conditions in printing and papermaking, BPC's 1971 earnings prospects were irrelevant to an equity market capitalisation of £8.8m. with the shares at 30½p, up from a 1971 "low" of 13p. What did matter was sheer ability to survive, and that seems implicit in a reduction in group overdrafts, excluding ILSC, from £3.8m. to £2m. since the year-end with ILSC's borrowings £2.3m. lower at £4.7m. That, at least, should help BPC better its half-time net attributable loss of £377,000 in the full year's results; and the prospect remains that BPC will see an adequate return on its £77m. annual turnover in 1972 when the effect on earnings, given the combination of high gearing and tax losses, should be dramatic.

See also Page 29

Lombard

World's economic calm is deceptive

BY C. GORDON TETHER

NO ONE can deny that the world's economic system has initially withstood the shock it suffered at the hands of President Nixon's "America must come first" measures remarkably well. But it would be most unfortunate if this came to be interpreted to mean that the need to eliminate the big question marks that now hang over the international economic situation has lost its urgency—that no harm will come from allowing the present drift to continue for as long as is necessary to permit work on the creation of a satisfactory new payments machinery to be completed.

For the discovery that things are going better than might have been feared tends to mask the fact that they are deteriorating in many directions all the same—and at a pace so fast that, unless an interim patching operation is arranged fairly soon, the process may be next to impossible to reverse.

"There has been a further worsening of the functioning and relative efficiency of the exchange markets for spot and forward transactions in recent weeks," said the Morgan Guaranty Trust in a recent review of world financial markets. This, it said, had been particularly marked in the case of the London market.

Escalating

Pointing out that, even so, experience to date did not fully measure the dislocation America's August 15 measures had caused since it must have reflected to a large extent business arranged prior to that date, it went on to say that the longer restrictionism and uncertainty were allowed to go on escalating, the more devastating would be the impact on international trade and investment.

Like most other banking institutions whose deep involvement in international financial traffic enables them to keep a finger on the world's economic pulse, Morgan Guaranty obviously feels that no time is to be lost in getting order out of the present chaos if we are to make sure that the events of August 15 do not in the end lead to a world disaster. And this was also the theme of the address which Mr. Pierre-Paul Schweitzer, managing director of the International Monetary Fund, gave to the Economic and Social Council of the United Nations last week.

Disorderliness

Arguing that there was no time for a pause, he ringed round the particularly grievous consequences the continuance for any length of time of the present disorderliness in international economic affairs is calculated to have for the Third World. The currency upheaval had contributed to a decline in world commodity prices.

Above all, it posed a serious threat to their efforts to diversify their exports, a key element in the drive to raise living standards to more adequate levels. For in the case of manufactured items which figure so large in this business, they are necessarily working with extremely slender profit margins and any unexpected change in prices, exchange rates or trade barriers can consequently put paid to such activity altogether.

There is, of course, a real danger that the worst will be allowed to come to the worst all the same. This is if the Nixon Administration continues to insist that it can afford to take a fairly light-hearted view of the distress its policies are generating elsewhere seeing that U.S. involvement in world trade represents such a diminutive part of the country's total activity. So it is fortunate that there are signs that thinking opinion outside American official circles is beginning to make the point that the country's immunity from a world recession could turn out to be much less marked.

"Immunity"

Says the prominent New York investment house of Harris Upham in a comment in its monthly letter on the ominous note struck by the recent downturn in world commodity prices: "The U.S. does not live in a vacuum and the mid-western farmer is actually the unwilling and unwitting victim of world events." It concludes that "if the soft-money boys in Washington don't soon realise that the hard-money men in Europe are right the economic world will continue to disintegrate—and in that fall we falleth all."

One can only hope that this message and similar warnings that have recently emanated from the American business community pierce the mental barrier the Nixon Administration appears to have erected round itself before it is too late

At least two murders a day now in Ulster

BY JOHN GRAHAM

BELFAST, Nov. 1.

TWO more policemen were shot dead in Belfast to-day. They were machine-gunned at about mid-day in the Catholic area of Andersonstown, and they were both dead on arrival at the hospital.

November had thus begun where October left off. At least 31 people were violently killed in October, and in the last 10 days the death rate has risen to about two a day. These figures do not include members of the IRA who have been shot by the Army but whose bodies have not been found. The Army thinks it may have hit as many as 80 IRA men in the last month.

Nor does it include many people who have simply disappeared. The Army knows that some of the people in Belfast who have been providing it with information about the IRA have vanished, and the supposition is that they have been executed. The figures do include two men; both of them Protestants, who have clearly been executed; they were both discovered in the last week bound, gagged, and shot through the head.

To-day's murder of the two policemen is just another episode in the IRA's battle against the authorities. The latest tactic, greatly in evidence for two weeks now, is direct assault on members of the Royal Ulster Constabulary. More than ten of them have recently been killed.

The IRA is not, however, neglecting the other tactics which are now so grimly familiar. To-day, the ground floor of the AA office in Belfast was destroyed by a bomb, and several people were slightly injured. The bomb was placed shortly before 10 a.m. and the people in the office were given four minutes to get out. The AA office, which is right in the middle of Belfast, is one of the city's tallest buildings and those people working in the higher storeys had to remain in the building, many of them going to an even higher storey, while waiting for the bomb to explode.

Three people were also injured when a bomb destroyed a shop in Armagh. At the border in County Fermanagh, there was an exchange of shooting between the British Army and people from the Republican side. No casualties were reported.

In Belfast, a 17-year-old civilian was shot through the chest at a disturbance near a school. No one seems to know exactly what happened. A civilian eye-witness said that only one bullet was fired; an army officer said that there was a burst of fire and this was returned by the Army. He conceded that it might have been an Army bullet which hit the boy.

Dismal tale

While the dismal tale of bombs and shooting is retold day by day, the political focus is now on Westminster. There is an increasing anxiety here that the policies adopted by Westminster and Stormont are not being successful, and are not likely to be so in the near future. While the Army is certainly having some success in its searches for weapons and in its open skirmishes with the terrorists, the IRA is also showing an undeniable ability not only to carry on but to raise the stakes.

In this climate, there is much interest in the statement by Mr. Ian Paisley that the British Government intends to introduce direct rule in the very near future. This had been categorically denied in Westminster and in Stormont, but Mr. Paisley repeated it this afternoon.

He said that his source in London was not in the Opposition nor in the Civil Service, and he thus left the clear impression that it was a member of the Government. He insisted that the denials were meaningless, since the British Government would keep such an intention as secret as possible. Stormont would know nothing about it until it happened, he said.

Mr. Paisley protected himself by going on to say that the very fact that he has brought into public the British Government's intention may make the Government have second thoughts about it.

But it was emphasised in Whitehall that it was not an emergency meeting called because of fears that an IRA bombing campaign might have started in London. Neither does there appear to be any prospect of Westminster imposing a direct rule on Northern Ireland in the foreseeable future.

Bonn may drop demand for revalued franc on conditions

BY CHRISTOPHER LORENZ

FRANKFURT, Nov. 1.

A SPEECH to-night by Dr. Karl Klasen, president of the Bundesbank, has added strength to reports in Bonn that the German Government is prepared to give up its demand for a revaluation of the French franc, providing certain conditions are met.

When the Economics and Finance Ministers of the Six meet in Paris on Thursday, Professor Schiller, the double-barrelled German Minister, will probably propose that as part of a joint EEC solution to the currency crisis, a number of Community currencies should be revalued, chief among them the D-mark and the guilder. He may be prepared to trade the pegging of the franc at its present commercial level for French agreement to a sizeable extension of the margins of fluctuation of Community currencies vis-a-vis third currencies.

Up to now the Germans have said that, to make a system of flexible exchange rates effective, the bands should be enlarged to at least 3 per cent., while the French have been prepared to go only as far as 2 per cent.

Such a move by Prof. Schiller at Thursday's meeting would add flesh to the bare bones of Chancellor Brandt's statement on French television to-night that the various monetary standpoints in the Community have grown closer in recent weeks.

Prof. Schiller's proposal will probably be only one of a number of alternative compromise formulae, but the fact that he is considering making it suggests that he is now coming round to the way of thinking of many of his Cabinet colleagues—namely that in the present dangerous situation someone must give way first.

The proposal does not mark a complete backdown by Bonn from its previous hard line, however, for, if accepted by France, it would almost certainly lead to a floating upwards of the franc against the dollar.

It is not yet clear whether the new proposal is part of a package in which the narrowing of bands between Community currencies is also included. Prof. Schiller has maintained that increased internal rigidity and external flexibility would be an essential part of any joint currency reform by the EEC.

The Bundesbank president's speech, delivered to-night in Hamburg, appeared to deviate from the previous German line by making allowance for the reluctance of other countries to revalue their currencies. Having said that a realignment of parities should be achieved by a small devaluation of the dollar combined with a moderate revaluation of "the other currencies," Dr. Karl Klasen added that a devaluation of the dollar was the best way of reducing the excessively high revaluation rate the D-Mark has reached against third currencies, for this rate would be reduced by the same amount as the dollar-D-Mark relationship was changed.

Toolroom dispute causes R-R to lay off over 1,000

BY PETER CARTWRIGHT, MIDLANDS CORRESPONDENT

IN A move that may be universally followed in Coventry next week unless a settlement is reached in the five-month-old toolroom dispute Rolls-Royce yesterday told more than 1,100 toolroom and related workers they would not be needed until further notice.

The company had given them until last Thursday to accept the national agreement—which gives them £4 on top of £42—in place of the toolroom rate. The men picked up their bigger pay packets but went on strike for the eighth Monday along with more than 7,000 other similar workers in the city.

Rolls-Royce is not the only company to have taken action independently of the Engineering Employers' Association, which has been trying unsuccessfully to persuade the Amalgamated Union of Engineering Workers to accept plant bargaining.

For the last two Tuesdays—and to-day is not expected to be an exception—member companies have been locking out the Monday strikers.

The district committee of the union, with which the agreement was signed in 1941, endorsed the strikes after the employers had cancelled the agreement on September 1. The toolroom and related workers covered by the agreement, which ties their rates to the average for highly-paid production workers—have since been trying to get a similar agreement reinstated. The latest move has been to decide on a similar approach to non-federated companies, which have also been drawn into the strike.

While both sides have been talking to each other—and there has been one five-hour meeting—neither is willing to accept the other's formula for an interim settlement to allow new negotiations. However, the district committee meets to-night and a further meeting with the association may be arranged later in the week.

Once again Chrysler was the chief sufferer yesterday, laying off more than 6,000 at Coventry and Linwood. There were strikes at federated companies like Triumph, Jaguar, GEC and Dunlop. Massey-Ferguson and Automotive Products which, like Chrysler, are non-federated, also had several hundreds on strike.

Caledonian profit over £1m.

By Michael Donne

PARIS, Nov. 1.

BRITISH CALEDONIAN Airways, the U.K. independent flag airline, has earned a net profit before tax of more than £1m. in the financial year to September 30.

This was revealed here to-day by Mr. Adam Thomson, chairman of British Caledonian, at the inauguration of the airline's services between Gatwick Airport, London, and Le Bourget Airport, in Paris.

British Caledonian has been given the Paris route to Le Bourget as part of U.K. Government plans to encourage the development of a second British flag airline on major international air routes.

The company will operate four return services daily between Gatwick and Le Bourget, and expects to carry about 120,000 passengers in its first year of operations, or about 12 per cent. of the total market.

Mr. Thomson, commenting on the progress made by the airline since it was created by the amalgamation of Caledonian Airways and British United Airways, said the profit in the past year had been earned on a revenue of around £45m. The airline's capital is £8.3m.

British Caledonian, which has applied for rights to fly the North Atlantic route, expects to take a decision soon on new aircraft equipment. It is currently studying all the types of aircraft that are available, including such "wide-bodied" aeroplanes such as the U.S. Lockheed TriStar and the Boeing 747 jumbo jet. Even the Concorde supersonic airliner was being included in its equipment studies.

The company expects to take a decision within the next few months on which type of aircraft would be best suited for all its varied routes.

On the airline's future plans, Mr. Thomson said it was still British Caledonian's intention to go public but no decision had yet been taken as to when this would be done. In the past financial year the airline's revenues had been divided roughly 50-50 between its scheduled and charter services.

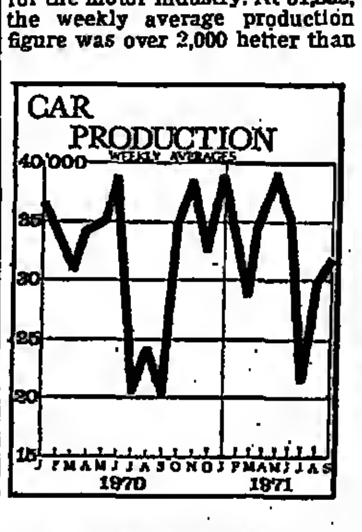
Car output up sharply in Sept.

BY MICHAEL CASSELL

CAR PRODUCTION in September was nearly 60 per cent. higher than in the same month last year, which was severely hit by industrial disputes.

Figures from the Department of Trade and Industry show that 159,260 private vehicles were manufactured in the five weeks ended October 2, compared with only 100,294 in the same period of 1970. The month's total is the second highest recorded this year, some 16,000 fewer than in June.

Output was 40,405 units more than in August, a holiday period for the motor industry. At 31,852, the weekly average production figure was over 2,000 better than in the previous month and nearly 12,000 above September 1970.



The industry built 100,186 cars for the home market, compared with 69,418 the month before and 56,969 in September, 1970.

Output of cars for export rose to 59,074, over 10,000 more than in August and nearly 16,000 higher than in September last year.

Production of commercial vehicles in September also recovered from the July and August holiday periods. Output reached 41,285 units, compared with 28,286 in the previous month and only 27,414 a year earlier.

Weekly average production amounted to 8,257, nearly 1,200 better than in August and nearly 3,000 up on the same month last year.

A total of 24,828 vehicles were produced for home customers, over 9,000 higher than in August and 8,677 better than in September, 1970. Exports accounted for a further 16,457 commercial vehicles, a rise of 4,100 on August's figure and 5,200 higher than at the same time last year.

The latest figures mean that in the first nine months of this year the average rate of car production was 32,500 a week, some 7 per cent. above the same period of 1970. Production for the home market was 8 per cent. more and for overseas customers was up by 5 per cent.

For commercial vehicles, the average rate of production in the first three-quarters of the year was 8,700 a week, 5 per cent. higher than in the corresponding period of 1970. Home market output was 3 per cent. better, while production for export improved by 9 per cent.

According to Hire Purchase Information, credit and hire-purchase sales of new private cars in October—apart from personal loans by banks and other forms of credit not recorded by HPI—totalled 27,231 contracts. This was 3,000 contracts below the September total but was still some 6,000 contracts higher than in October last year—an improvement over the year of about 30 per cent.

Recorded deals by HPI in used cars last month, at 83,928, were about 16,000 fewer than in September—a drop of 10 per cent. Compared with October last year, however, the decline was only about 5,200 deals, about 6 per cent.

The total of hire purchase deals recorded by HPI last month, at 140,859, compared with 164,101 in September and with 139,687 in October last year.

Continued from Page 1

Setback for anti-Six

The bottom candidate will then be eliminated and the vital question will be which way his votes divide. Pro-Marketeers are hopeful that more votes from the centre would go to Mr. Jenkins than to Mr. Foot, the likely runner-up in the first ballot.

Much could depend on the tactics of Mr. Jenkins and his supporters in the crucial days up to the declaration of the vote. If they antagonise the more moderate anti-Marketeers by hedging their bets on the consequential legislation, it could lose Mr. Jenkins the vital support he needs to gain more than half the votes cast.

Lord Shinwell, the former Labour Cabinet Minister, took a very aggressive line against the pro-Marketeers in a BBC radio interview yesterday. He argued that the rebels should be "cleared out" of the Labour Party. "They should resign and form a party of their own," he declared.

If an MP voted with the Government on a vital constitutional issue after the PLP, the annual conference and the TUC had all come to a decision against the Government, it was a very serious revolt that was not easily resolved, Lord Shinwell argued.

The continuing conflict inside the Labour Party and the Government's problems in getting its Common Market legislation through Parliament seem certain to dominate the new session which opens to-day with the presentation of the Queen's Speech.

By far the most important measure will be the complex Bill of over 100 clauses bringing Britain into line with Common Market legislation. This will be introduced in the New Year and will entail week after week of debate with the Government whips never certain of retaining their majority.

The other major Bill concerned with EEC entry will be the measure introducing a Value Added Tax which is to be published later this month in order that it can get some way through its Parliamentary passage before the inevitable log jam early next year.

On the purely domestic scene there will be Bills to reform Corporation Tax, to strengthen the Monopolies Commission, to revise the housing subsidies system, to reform local government in England and Wales, to introduce local commercial radio, to increase penalties for carrying firearms, and to raise the school leaving age to 16 from September 1, 1972.

Mr. Heath gave a dinner at 10 Downing Street last night for the Speaker and the 64 members of his Government in the Commons who were told the details of the legislative programme.

Christopher Lorenz writes from Frankfurt: Mr. George Thomson, Opposition spokesman on defence, and one of Labour's chief defectors in last Thursday's Common Market vote, is sceptical about whether Mr. Harold Wilson really means to reopen negotiations in Brussels and demand better terms, should he again become Prime Minister.

Mr. Thomson makes this clear in an interview published in to-day's edition of Handelsblatt, the German business newspaper. He was commenting on Mr. Wilson's winding up speech in the Commons on Thursday evening.

In fact, Mr. Thomson gave an assurance that a Labour Government would remain loyal to the Treaty of Rome and would not attempt to leave the Community.

He said that the development in the Labour Party might be along the lines of the German Social Democrats, who opposed the original foundation of the Coal and Steel Community, but later gave their full support to European unity.

Weather

U.K. TO-DAY

England, Wales dry. Bright spells. Scotland, N. Ire[…] cloudy. Bright spells in E. […] S.E. with rain spreading fr[…] N.W. Brighter with showers la[…] Temps. as yesterday.

London, S.E., Cent. S., S.W. England

Dry. Sunny spells after mist. Wind S.W. light or mo[…] ate. Warm. Max. 15C (59F).

Channel Isles

Dry. Sunny spells. Wind S[…] light or moderate. Max. […] (57F).

E. Anglia, Midlands, Wales, E., N.W., Cent. N. England

Dry. Variable cloud. Wind […] moderate to fresh. Max. […] (59F).

Isle of Man, N.E. England

Cloudy. Mostly dry with […] later. Wind S.W. fresh or str[…] Max 13C (55F).

E., S.W. Scotland, Glasgow, Edinburgh

Cloudy. Some rain. Cle[…] laterf. Wind S.W. fresh or str[…] Max. 13C (55F).

Rest of Scotland, N. Ireland

Cloudy. Rain at times. Brig[…] later with showers. Wind strong to gale. Warm at[…] cooler later. Max. 12C (54F).

Outlook: N. Areas: Colder rain or showers. South: dry.

Lighting-up: London: 17.42. […] 17.08; Belfast 17.19.

BUSINESS CENTRES

	Y'day Mid-day	°C	°F		Y'day Mid-day	°C	°F
Amstrdm.	[illegible]	[illegible]	[illegible]	Manchstr.	[illegible]	[illegible]	[illegible]
Bahrain	[illegible]	[illegible]	[illegible]	Melbourne	[illegible]	[illegible]	[illegible]
Beirut	[illegible]	[illegible]	[illegible]	Mexico C.	[illegible]	[illegible]	[illegible]
Belfast	[illegible]	[illegible]	[illegible]	Milan	[illegible]	[illegible]	[illegible]
Belgrade	[illegible]	[illegible]	[illegible]	Montreal	[illegible]	[illegible]	[illegible]
Berlin	[illegible]	[illegible]	[illegible]	Moscow	[illegible]	[illegible]	[illegible]
Brmghm.	[illegible]	[illegible]	[illegible]	Munich	[illegible]	[illegible]	[illegible]
Bristol	[illegible]	[illegible]	[illegible]	Newcastle	[illegible]	[illegible]	[illegible]
Brussels	[illegible]	[illegible]	[illegible]	New York	[illegible]	[illegible]	[illegible]
Budapest	[illegible]	[illegible]	[illegible]	Oslo	[illegible]	[illegible]	[illegible]
B. Aires	[illegible]	[illegible]	[illegible]	Paris	[illegible]	[illegible]	[illegible]
Cairo	[illegible]	[illegible]	[illegible]	Prague	[illegible]	[illegible]	[illegible]
Cardiff	[illegible]	[illegible]	[illegible]	Reykjavik	[illegible]	[illegible]	[illegible]
Cologne	[illegible]	[illegible]	[illegible]	Rio de Ja'o	[illegible]	[illegible]	[illegible]
Copnhagn.	[illegible]	[illegible]	[illegible]	Rome	[illegible]	[illegible]	[illegible]
Dublin	[illegible]	[illegible]	[illegible]	Singapore	[illegible]	[illegible]	[illegible]
Edinb'rgh	[illegible]	[illegible]	[illegible]	Stockholm	[illegible]	[illegible]	[illegible]
Frankfurt	[illegible]	[illegible]	[illegible]	Strasbourg	[illegible]	[illegible]	[illegible]
Geneva	[illegible]	[illegible]	[illegible]	Sydney	[illegible]	[illegible]	[illegible]
Glasgow	[illegible]	[illegible]	[illegible]	Tehran	[illegible]	[illegible]	[illegible]
Helsinki	[illegible]	[illegible]	[illegible]	Tel Aviv	[illegible]	[illegible]	[illegible]
H. Kong	[illegible]	[illegible]	[illegible]	Tokyo	[illegible]	[illegible]	[illegible]
Jo'burg	[illegible]	[illegible]	[illegible]	Toronto	[illegible]	[illegible]	[illegible]
Lisbon	[illegible]	[illegible]	[illegible]	Tunis	[illegible]	[illegible]	[illegible]
London	[illegible]	[illegible]	[illegible]	Vienna	[illegible]	[illegible]	[illegible]
Luxembrg.	[illegible]	[illegible]	[illegible]	Warsaw	[illegible]	[illegible]	[illegible]
Madrid	[illegible]	[illegible]	[illegible]	Zurich	[illegible]	[illegible]	[illegible]

HOLIDAY RESORTS

	Y'day Mid-day	°C	°F		Y'day Mid-day	°C	°F
Ajaccio	[illegible]	[illegible]	[illegible]	Jersey	[illegible]	[illegible]	[illegible]
Alxndria.	[illegible]	[illegible]	[illegible]	Las Plms.	[illegible]	[illegible]	[illegible]
Algiers	[illegible]	[illegible]	[illegible]	Locarno	[illegible]	[illegible]	[illegible]
Athens	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Barcelona	[illegible]	[illegible]	[illegible]	Majorca	[illegible]	[illegible]	[illegible]
Biarritz	[illegible]	[illegible]	[illegible]	Malaga	[illegible]	[illegible]	[illegible]
Blackpool	[illegible]	[illegible]	[illegible]	Malta	[illegible]	[illegible]	[illegible]
Bordeaux	[illegible]	[illegible]	[illegible]	Nairobi	[illegible]	[illegible]	[illegible]
Boulogne	[illegible]	[illegible]	[illegible]	Nassau	[illegible]	[illegible]	[illegible]
Casablnc.	[illegible]	[illegible]	[illegible]	Nice	[illegible]	[illegible]	[illegible]
Cape Tn.	[illegible]	[illegible]	[illegible]	Nicosia	[illegible]	[illegible]	[illegible]
Corfu	[illegible]	[illegible]	[illegible]	Oporto	[illegible]	[illegible]	[illegible]
Dubrovnik	[illegible]	[illegible]	[illegible]	Rhodes	[illegible]	[illegible]	[illegible]
Faro	[illegible]	[illegible]	[illegible]	Salzburg	[illegible]	[illegible]	[illegible]
Florence	[illegible]	[illegible]	[illegible]	Tangier	[illegible]	[illegible]	[illegible]
Funchal	[illegible]	[illegible]	[illegible]	St. Moritz	[illegible]	[illegible]	[illegible]
Gibraltar	[illegible]	[illegible]	[illegible]	Tenerife	[illegible]	[illegible]	[illegible]
Guernsey	[illegible]	[illegible]	[illegible]	Tunis	[illegible]	[illegible]	[illegible]
Innsbruck	[illegible]	[illegible]	[illegible]	Valencia	[illegible]	[illegible]	[illegible]
Inverness	[illegible]	[illegible]	[illegible]	Venice	[illegible]	[illegible]	[illegible]
I. of Man	[illegible]	[illegible]	[illegible]				
Istanbul	[illegible]	[illegible]	[illegible]				

F—Fair. S—Sunny. R—Rain. C—Cloudy.

Long-range weather forecast […]

هكذا من الأصل